

## COMMITTEE ON INVALID PENSIONS

There will be a public hearing before the Committee on Invalid Pensions at 10:30 a. m. on Tuesday, May 7, 1946, in the committee hearing room, 247 Old House Office Building, on H. R. 3908, entitled "A bill to provide increased pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein during other than a period of war," which was introduced by Representative LESINSKI, of Michigan.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1242. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to provide for two heads of departments of military science and tactics in the public schools of the District of Columbia, which they request be introduced and enacted into law; to the Committee on the District of Columbia.

1243. A letter from the chairman, the Textile Foundation, transmitting the annual report of the Textile Foundation for the fiscal year ending December 31, 1945; to the Committee on Interstate and Foreign Commerce.

1244. A communication from the President of the United States, transmitting a proposed provision pertaining to an estimate of appropriation for the fiscal year 1947 for the Navy Department in the form of an amendment to House Document 501 (H. Doc. No. 545); to the Committee on Appropriations and ordered to be printed.

1245. A letter from the Secretary of War, transmitting a draft of a proposed bill for the relief of the estate of Carmen Aurora de la Flor, deceased; to the Committee on Claims.

1246. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1247. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for the month of January 1946; to the Committee on Banking and Currency.

1248. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$21,940 for the legislative branch, House of Representatives (H. Doc. No. 546); to the Committee on Appropriations and ordered to be printed.

1249. A letter from the Attorney General, transmitting the twelfth report of the Attorney General covering the period from December 1, 1945, through April 30, 1946; to the Committee on Banking and Currency.

1250. A letter from the director, national legislative committee, the American Legion, transmitting the final financial statement of the American Legion for the year ending December 31, 1945; to the Committee on World War Veterans' Legislation.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LESINSKI:

H. R. 6279. A bill to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States; to the Committee on Immigration and Naturalization.

By Mr. HAND:

H. R. 6280. A bill to authorize the sale of grain for domestic consumption, and for other purposes; to the Committee on Banking and Currency.

By Mr. MAY:

H. R. 6281. A bill to amend further the Pay Readjustment Act of 1942, as amended; to the Committee on Military Affairs.

By Mr. RICH:

H. R. 6282. A bill to amend the Surplus Property Act of 1944 to provide that proceeds from the transfer or disposition of surplus property be used for the reduction of the public debt; to the Committee on Expenditures in the Executive Departments.

By Mr. ROBERTSON of North Dakota:

H. R. 6283. A bill to provide for the payment of a bonus of 30 cents per bushel on wheat and corn produced and sold between January 1, 1945, and April 18, 1946; to the Committee on Agriculture.

By Mr. COLE of New York:

H. R. 6284. A bill to require immediate reestablishment of rationing in the case of butter; to the Committee on Banking and Currency.

By Mr. TRAYNOR:

H. R. 6285. A bill authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON of New Jersey:

H. R. 6286. A bill authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER:

H. R. 6287. A bill to amend title 3 of the first War Powers Act, as amended, to permit the shipment of relief supplies; to the Committee on the Judiciary.

By Mr. MILLER of Nebraska:

H. J. Res. 345. Joint resolution to authorize the selling and buying of corn and wheat without penalty; to the Committee on Banking and Currency.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS:

H. R. 6288. A bill for the relief of Eugene J. Bearman; to the Committee on Claims.

By Mr. DOLLIVER:

H. R. 6289. A bill for the relief of Mrs. Maja V. Capek; to the Committee on Immigration and Naturalization.

By Mr. HAYS:

H. R. 6290. A bill for the relief of the legal guardian of Robert Lee Threath, a minor; to the Committee on Claims.

By Mr. JUDD:

H. R. 6291. A bill for the relief of Thomas Milton Culbertson; to the Committee on Claims.

By Mr. KILDAY:

H. R. 6292. A bill for the relief of Farmers Rural Telephone Association; to the Committee on Claims.

By Mr. LARCADE:

H. R. 6293. A bill for the relief of William W. Maddox; to the Committee on Claims.

By Mr. LESINSKI:

H. R. 6294. A bill for the relief of William T. Skrzycki, proprietor and owner of the Consolidated Baking Co.; to the Committee on Claims.

By Mr. POWELL:

H. R. 6295. A bill for the relief of Sam S. Suddin; to the Committee on Immigration and Naturalization.

By Mr. SAVAGE:

H. R. 6296. A bill for the relief of public utility district No. 1 of Cowlitz County, Wash.; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1854. By Mr. ANDREWS of New York: Petition from a group of citizens of Niagara County, N. Y., requesting that the Congress pass a joint resolution authorizing the President of the United States and the Secretary of Agriculture to issue a directive preventing the use of grain for beverage purposes until the world's food shortage is relieved; to the Committee on Agriculture.

1855. By Mr. REED of New York: Petition of Dunkirk Aerie, No. 2447, the Fraternal Order of Eagles of Dunkirk, N. Y., requesting that the new veterans' hospital being built in Buffalo, N. Y., be named the John E. Butts Memorial Hospital; to the Committee on World War Veterans' Legislation.

1856. By The SPEAKER: Petition of the United States War Ballot Commission, urging consideration of their resolution with reference to termination of the activities and office of the Commission; to the Committee on Election of President, Vice President, and Representatives in Congress.

1857. Also, petition of the Philadelphia County Council of Amvets, urging consideration of their resolution with reference to granting priorities to veterans engaged in the business of building and renovating homes, in the allocation of building materials; to the Committee on Banking and Currency.

1858. By Mr. LUTHER A. JOHNSON: Petition of Sidney Harrison, of Fort Worth, Tex., favoring House bill 5204; to the Committee on Military Affairs.

## SENATE

FRIDAY, MAY 3, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. James J. Davies, minister, First Methodist Church, Fort Dodge, Iowa, offered the following prayer:

Eternal God, fountain of all good, we bless Thy name for the noble heroes, living on earth or in heaven, who by their work and sacrifice made our way of life more beautiful and abundant.

We thank Thee for our country, its government, its laws, and its customs, making for liberty and opportunity for all. We praise Thee for freedom of worship as practiced in our churches, for educational privileges as offered in our schools, for natural resources which industry transforms by the skill and energy of labor into our many daily comforts.

May we continue to develop all that is noble in our heritage. As American citizens, help us to conserve and extend such blessings throughout the world. Give us a lively interest in all peoples and nations, whatever be their culture or religion. Open our hearts to new friendships in this hour of desperate need. Give food, O Lord, to those that have it not, and discipline us in service for the

common good. Increase our respect for spiritual values such as teach the dignity and worth of Thy creatures everywhere. Bless the President of the United States and all those who give their time and talent in the upbuilding of our Nation. These mercies we ask in the Master's name. Amen.

#### DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., May 3, 1946.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CARL A. HATCH, a Senator from the State of New Mexico, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,  
President pro tempore.

Mr. HATCH thereupon took the chair as Acting President pro tempore.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 2, 1946, was dispensed with, and the Journal was approved.

#### LEAVE OF ABSENCE

Mr. HUFFMAN. Mr. President, I ask unanimous consent to be absent from the Senate tomorrow because of a previous engagement of long standing.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2101) to amend the Trading With the Enemy Act, as amended, to permit the shipment of relief supplies.

#### CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Mahoney
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Brewster	Hoey	Robertson
Briggs	Huffman	Russell
Brooks	Johnson, Colo.	Saltonstall
Bushfield	Johnston, S. C.	Shipstead
Butler	Langer	Smith
Byrd	Lucas	Stewart
Capehart	McCarran	Taft
Capper	McFarland	Taylor
Carville	McMahon	Tunnell
Cordon	Magnuson	Tydings
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Eastland	Millikin	Wheeler
Ellender	Mitchell	Wherry
Ferguson	Moore	Wiley
Fulbright	Morse	Willis
Gerry	Murdock	Wilson
Green	Murray	Young
Gurney	Myers	
Hart	O'Daniel	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY]

and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Mississippi [Mr. BILEO], the Senator from Georgia [Mr. GEORGE], the Senator from Idaho [Mr. GOSSETT], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Louisiana [Mr. OVERTON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from West Virginia [Mr. KILGORE], and the Senator from Tennessee [Mr. MCKELLAR] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] is detained on public business.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from California [Mr. KNOWLAND], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Kentucky [Mr. STANFILL] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Delaware [Mr. BUCK] are necessarily absent.

The ACTING PRESIDENT pro tempore. Seventy-three Senators have answered to their names. A quorum is present.

#### ABOLITION OF OFFICE OF PRICE ADMINISTRATION—RESOLUTION OF ASSOCIATED NEEDLE INDUSTRIES, OMAHA, NEBR.

Mr. WHERRY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Associated Needle Industries, of Omaha, Nebr. This is an organization of garment and other midwestern textile concerns with headquarters in Omaha. These businessmen support substantial pay rolls and have prided themselves in doing business by honorable means and in full compliance with all laws and regulations of Government. As they set out in their resolution, they have come to the point where onerous regulation leaves them the choice of suspending or obtaining a revision of Government controls which do not discriminate against small business enterprises.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas the Associated Needle Industries of Omaha, an association of the apparel manufacturers of Omaha, as an association is greatly concerned with the welfare of the Nation, of this community and of its own members; and

Whereas this association has seen the employment figures of its member firms drop steadily from a peak of about 1,800 to a current figure of less than 250 during a period when increased production is an obvious need of the Nation; and

Whereas continued conscientious attempts to cooperate with the Office of Price Administration, the Civilian Production Administration, and the War Assets Administration (and its predecessors) have been essentially fruitless in securing permitted materials even when priority authorizations have been obtained due to the Nation-wide shortage of material while at the same time several of its member firms have had opportunity to secure material through other channels; and

Whereas this association and its members have factual evidence that continued attempts to operate under the existing system will result in liquidation of these firms, increased unemployment, and further curtailed production contributing further to black market activity and a long run inflation: Be it

Resolved, That this association go on record as recommending in the public interest the abolition of the OPA and CPA controls unless workable procedures which do not discriminate against small businesses be formulated and put into effect immediately, and that such governmental efforts as are authorized be directed primarily toward the elimination of the diversion and hoarding of materials and speculative activity with respect to same.

N. B. LAMM,

President, Associated Needle Industries.

#### RESOLUTIONS OF ST. JOSEPH COUNTY (IND.) MINISTERIAL ASSOCIATION

Mr. WILLIS. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD resolutions adopted by the St. Joseph County (Ind.) Ministerial Association.

There being no objection, the resolutions were received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas with the invention of the atomic bomb mankind is threatened with more extensive tragedy than any yet experienced; and

Whereas the possibility of such tragedy is fundamentally due to the moral and spiritual illness and the economic and social maladjustments of mankind; and

Whereas improved human relations will be attained only through the conversion of men to the divine way of life as exemplified in Jesus Christ and through the building of a social order based on justice and good will; and

Whereas the responsibility of this critical hour rests upon all persons in every area of our social order, including church, home, school, press, industry, labor, and government: Therefore be it

#### Resolved—

1. That as members of the St. Joseph County Ministerial Association we first repent of our sins and acknowledge our failures in the service of God and man and dedicate ourselves anew to giving primary place and forceful proclamation of the full Gospel of Jesus Christ.

2. That the church in this community be called to a spiritual awakening and an immediate strengthening of its whole program.

3. That all men everywhere be called upon to repent and accept the Gospel as the only way to a prosperous social order and the only hope for life here as well as hereafter.

4. That we reaffirm our confidence in the overseas missions enterprise of the Christian church as a movement for the highest welfare of backward peoples, spiritually, socially,



and materially, and pledge ourselves to contribute to its fullest advancement.

5. That we announce our faith in the United Nations as a step toward successful international cooperation and urge the development of that organization into a true, inclusive world government.

6. That all leaders of the United States of America be encouraged to lead this country in the sharing of our scientific, industrial, and agricultural knowledge and skills with other countries, to the end that all nations may help themselves achieve increasingly higher standards of living.

7. That the President of the United States, the State Department, and Congress be urged to call upon the United Nations for an immediate study and revision of the Potsdam policy and that increased relief immediately be offered famine-stricken peoples.

8. That copies of the above resolutions be forwarded to President Harry S. Truman, United States Senators Homer E. Capehart and Raymond E. Willis, Representative Robert Grant, the South Bend Tribune, and the members of the St. Joseph County Ministerial Association, and that copies of these resolutions and the article "A Christian Answer to the Atomic Bomb," by Dr. Frank Laubach, be sent to the Federal Council of Churches of Christ in America, the Christian Century, and local labor, industrial, and educational agencies.

Respectfully submitted.

ROY W. MICHEL,  
GLEN WEIMER,  
ROBERT H. DAUBE,  
Committee.

#### INCLUSION OF EMPLOYEES OF NATIONAL FARM LOAN ASSOCIATIONS UNDER CIVIL SERVICE RETIREMENT BENEFITS

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by all secretary-treasurers of the Seventh Farm Credit District, in conference assembled at St. Paul, Minn., and the Klaus National Farm Loan Association, favoring the enactment of legislation to include employees of national farm loan associations under the same provisions for civil service retirement benefits as are now accorded to the employees of the Federal land banks.

There being no objection, the resolutions were received, referred to the Committee on Civil Service, and ordered to be printed in the RECORD, as follows:

Whereas national farm loan associations are an integral part of the Federal land bank system, and are wholly and entirely subject to the supervisory authority of the Farm Credit Administration; and

Whereas by an act of Congress, passed January 24, 1942, the employees of the Federal land banks were covered under the Civil Service Retirement Act (sec. 3 (a)); and

Whereas employees of national farm loan associations, most of whom have been in the employ of these associations for more than 12 years, are not covered by any system of retirement benefits: Therefore be it

*Resolved*, by all secretary-treasurers of the Seventh Farm Credit District in a conference assembled at St. Paul, Minn., on the 20th day of March 1946, That we urge the speedy enactment by the Congress of legislation which shall provide for the inclusion of all employees of national farm loan associations under the same provisions of civil service retirement benefits as are now accorded to the employees of the Federal land banks; and be it further

*Resolved*, That a copy of the resolution be forwarded to all United States Senators and

Members of Congress from the States of North Dakota, Minnesota, Wisconsin, and Michigan.

MARCH 20, 1946.

We, the directors of the Klaus National Farm Loan Association are wholly in accord with the contents of the above resolution and do recommend and urge our Members in Congress to support such legislation as referred to in said resolution.

The secretary-treasurer of this board is instructed to forward a copy of this to the North Dakota Senators and Members of the United States Congress.

Dated this 9th day of April 1946.

JACOB C. YAEGER,  
Jamestown, N. Dak.  
U. H. JOHNSON,  
Montpelier, N. Dak.  
ERWIN S. KEIM,  
Robinson, N. Dak.  
CHRIST CHRISTENSEN,  
Medina, N. Dak.  
FRED J. SHIPLEY,  
Steele, N. Dak.

#### DISTRIBUTION OF SURPLUS WAR GOODS IN NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the American Legion Clarence Larson Post, No. 23, at Rugby, N. Dak., dealing with the matter of the inability of veterans to obtain more surplus goods. The criticism contained in the resolution is that these goods are concentrated in places hundreds of miles from North Dakota, and a North Dakota veteran who wants to buy a Diesel Ford tractor must go to St. Louis, Mo., nearly 1,000 miles away. The resolution asks that a point of distribution of surplus goods be established in North Dakota.

There being no objection, the resolution was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the United States Government has set up machinery for the purpose of selling war surplus goods; and

Whereas the intention of the governmental procedure for the disposition and sale of said property is to give preference and priority to veterans; and

Whereas the governmental agency consists of Smaller War Plants Corporation, with its principal offices in the State of North Dakota in the Walker Building at Fargo, N. Dak.; and

Whereas it appears that the present set-up for the distribution of surplus war goods to veterans is wholly inadequate and insufficient to properly supply the needs of returning veterans in the State of North Dakota; and

Whereas it appears that the veterans in the State of North Dakota have not been receiving surplus war goods as intended under the act for the distribution for such war surplus goods: Be it therefore

*Resolved*, That the American Legion Clarence Larson Post, No. 23, at Rugby, N. Dak., go on record recommending legislation to change or alter the existing procedure for the distribution of war surplus goods for the purpose of establishing within the State of North Dakota, warehousing, storing, and shipping facilities for the resale of said war surplus goods at some depot, warehouse, or where such commodities or goods will be available to the veterans of the State of North Dakota and thereby mak-

ing it possible for the veterans of the State of North Dakota to have an opportunity to check such commodities or goods; be it further

*Resolved*, That such surplus war commodities and goods be allocated to the State of North Dakota in proper proportion to the goods and commodities allocated to the remaining States, and that due notice of goods and commodities for distribution be given so that all veterans will have an equal opportunity to purchase the same; be it further

*Resolved*, That the original resolution be spread upon the minutes of the Clarence Larson Post No. 23, at Rugby, Department of North Dakota, and that true and correct copies thereof be forwarded to the congressional delegates for the State of North Dakota.

Dated at Rugby, N. Dak., this 12th day of April 1946.

CLARENCE LARSON POST, No. 23, OF  
RUGBY, DEPARTMENT OF NORTH DAKOTA.  
By C. G. JOHNSON, Post Commander.  
Attest:

DENNETT L. HUTCHINSON,  
Post Adjutant.

#### FEDERAL AID TO SCHOOLS

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by members of the Ray Farmers Union Headquarters, Local No. 1462, relating to Federal aid to schools.

There being no objection, the resolution was received, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Whereas the schools of North Dakota and the Nation in all too many cases are financially unable to maintain adequate schools; and

Whereas we as residents of North Dakota contribute through our purchases to large Nation-wide industries, yet we do not share in their tax payments: Therefore be it

*Resolved*, That we, the members of the Ray Farmers Union Headquarters, Local No. 1462, in session assembled this 15th day of April 1946, do petition for Federal aid to schools; and that copies of this resolution be sent to President Truman, Senator William Langer, Senator Milton R. Young, and Representatives Charles Robertson and William Lemke.

Members present and voting, 21.

ARNOLD L. ANDERSON,  
Secretary-Treasurer.

#### POOLING OF WORLD FOOD RESOURCES—PETITION

Mr. MEAD. Mr. President, I have here a letter recently addressed to me by the Community Church of New York, which encloses a petition. In order that the petition may have wide circulation I have been requested to have it inserted in the CONGRESSIONAL RECORD. It is a petition, addressed to the President and the Congress, which was adopted last Sunday by 1,000 members and friends of the Community Church of New York, assembled at Town Hall, calling upon the President and the Congress to take the necessary steps required for the pooling of all our food resources with those of the other nations of the world. I ask to have it printed in the RECORD and appropriately referred.

There being no objection, the petition was received, referred to the Committee

on Foreign Relations, and ordered to be printed in the RECORD, as follows:

*To the President and to the Congress of the United States:*

We, the members and friends of the Community Church of New York, assembled together in the solemn worship of the God of hosts, the Father of all mankind, do declare our faith that all human beings are precious, regardless of race, nation, creed, or class, whether they be enemy, ally, or neutral. We believe that all are equally the children of one Father.

In the light of this faith, we are hurt beyond all power of expression by the failure of our country to share its food abundantly with the fainting, famine-torn peoples of the rest of the world. We are horrified at the prospect that the Europe and Asia for which we have taken our share of responsibility are rapidly become one gigantic death chamber of starving bodies and stunted minds, while we Americans dance and sing and live in luxury. Our souls are filled with anguish. The cake of luxury is turning to dust and ashes in our mouths as we remember that a few short hours away by air, little children piteously cry and die for want of a dry crust of bread. There is a tremor of tears on the wind from the east; there is a wall of anguish from the west; we cannot stop our ears tightly enough to close them to the tired cries. We are filled with shame as we stand before our great God-Father. We can no longer hold up our heads in self-respect.

Therefore, as members of this congregation of free worshippers, we do together, in deepest earnestness and sincerity:

1. Declare our desire as Americans to pool all our food resources with those of the rest of the nations of the world, and to share alike with all, enemy, ally, or neutral, until this emergency is over.

2. Request an immediate return to rationing in the United States, and the shipment of sufficient foodstuffs abroad to maintain life and health everywhere.

3. An immediate appropriation by the Congress of whatever funds are necessary to underwrite this miracle of mercy.

Finally, we call upon all our brethren, in all churches and synagogues throughout this land, to bow their heads in penitence as they assemble before God, and then to rise up and support this petition to the President and the Congress of the United States.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUSHFIELD, from the Committee on Indian Affairs:

S. 1074. A bill designating American Indian Day; without amendment (Rept. No. 1296).

By Mr. YOUNG, from the Committee on the District of Columbia:

S. 2110. A bill to amend section 4 of the act of August 25, 1937, so as to provide a filing procedure in cases of adoption outside the District of Columbia, and for other purposes; without amendment (Rept. No. 1297).

By Mr. HOEY, from the Committee on the District of Columbia:

H. R. 4654. A bill to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax; without amendment (Rept. No. 1298).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. GURNEY introduced Senate bill (S. 2140) to provide that there shall be no liability for acts done or omitted in good faith by an employer with respect to reemploying

veterans in accordance with regulations of the Director of Selective Service or in accord with any applicable court decision, and for other purposes, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. JOHNSON of Colorado (for Mr. THOMAS of Utah):

S. 2141. A bill to amend the act entitled "An act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes," approved March 4, 1923, as amended, in order to extend the Commission's authority to all areas in which our armed forces have operated during World War II, and for other purposes; to the Committee on Military Affairs.

By Mr. HOEY:

S. 2142. A bill to provide for two heads of departments of military science and tactics in the public schools of the District of Columbia; to the Committee on the District of Columbia.

(Mr. TAFT (for himself, Mr. SMITH, and Mr. BALL) introduced Senate bill 2143, to coordinate the health functions of the Federal Government in a single agency; to amend the Public Health Service Act for the following purposes: To expand the activities of the Public Health Service; to promote and encourage medical and dental research in the National Institute of Health and through grants-in-aid to the States; to construct in the National Institute of Health a dental research institute and a neuropsychiatric institute; and for other purposes, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

(Mr. MORSE (for himself and Mr. CORDON) introduced Senate bill (S. 2144) to authorize the Veterans' Administration to reimburse State and local agencies for expenses incurred in rendering services in connection with the administration of certain training programs for veterans, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. MORSE introduced Senate bill 2145, to amend secs. 112 and 113 of the Internal Revenue Code, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. MORSE also introduced Senate bill 2146, to provide for reasonable attorney's fees in the case of any suit by or against the United States, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

#### SENIORITY IN REEMPLOYMENT OF VETERANS

Mr. GURNEY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to provide that there shall be no liability for acts done or omitted in good faith by an employer with respect to reemploying veterans in accordance with regulations of the Director of Selective Service, and so forth.

The regulations of the Director of Selective Service require recognition of the principle of seniority in connection with the reemployment of veterans, even to the extent of displacing employees with 10 or more years' service with the employer. In effect, Selective Service says an employer must rehire a veteran, even though that means firing an employee with greater seniority.

The recent decision of a United States circuit court of appeals in the Fishgold case holds that the Congress did not intend that a veteran should have seniority rights superior to those of employees with longer service with the employer.

Most employers have been rehiring all veterans seeking their old jobs back again. Such employers have been following the regulations of the Director of Selective Service, even though such policy means displacing other employees who had been with the employer continuously since and for several years before the veterans ever worked for the employers.

The decision in the Fishgold case has made the situation very unsettled, and it will remain unsettled until the Supreme Court has decided the question. A petition for a writ of certiorari is now pending before the Supreme Court, but an early decision cannot be anticipated with any certainty.

In the meantime, all employers required by section 8 of the Selective Training and Service Act to reemploy veterans may be subjected to liability for following either the regulations of the Director of Selective Service or the decision in the Fishgold case. All employers are taking a chance no matter which policy they pursue during the present period, as they may incur liability either from the veteran or from the union on behalf of non-veterans.

There is a bill, H. R. 6035, now on the Consent Calendar of the House, seeking to accomplish the same objective.

I also ask unanimous consent that the bill may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill (S. 2140) to provide that there shall be no liability for acts done or omitted in good faith by an employer with respect to reemploying veterans in accordance with regulations of the Director of Selective Service or in accord with any applicable court decision, and for other purposes, introduced by Mr. GURNEY, was received, read twice by its title, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That no liability shall be predicated in any case on any act done or omitted in good faith by any employer in accord with any regulation, order, ruling, or administrative interpretation issued with respect to the provisions of section 8 of the Selective Training and Service Act of 1940, as amended, by the Director of Selective Service or by any other authorized person within the Selective Service System, or in accord with the decision of any duly constituted judicial or quasi-judicial authority construing such section, notwithstanding that such regulation, order, ruling, interpretation, or decision may, after such act or omission, be amended, rescinded, or reversed, or otherwise nullified: *Provided,* That the provisions of this act shall not be applicable with respect to any act done or omitted subsequent to the date of rendition by the Supreme Court of the United States of any decision construing the provisions of such section 8. If such act or omission is not consistent with the construction or interpretation of such section 8 adopted in such decision.

#### DEVELOPMENT AND CONTROL OF ATOMIC ENERGY—PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1211

Mr. McMAHON submitted the following resolution (S. Res. 267), which was referred to the Committee on Printing:

*Resolved,* That there be printed 2,000 additional copies of Senate Report No. 1211, cur-



rent session, accompanying S. 1717, a bill for the development and control of atomic energy, for use of the Special Committee on Atomic Energy.

**EFFORT TO PURGE SENATORS WHO ARE NOT "SAFELY INTERNATIONALIST"—EDITORIAL FROM CHICAGO DAILY TRIBUNE**

Mr. LANGER. Mr. President, I wish to read into the RECORD an editorial published in the Chicago Daily Tribune of Wednesday, May 1, 1946. The editorial is entitled "Snobbery." It is as follows:

The so-called Women's Action Committee for Victory and Lasting Peace, made up of eastern internationalists, is campaigning to defeat seven Senators who are not "safely internationalist."

The home of the organization is, of course, New York. The Senators to be purged are from North Dakota, Indiana, Montana, Minnesota, Nebraska, Massachusetts, and Mississippi. The women went to Louisville, Ky., to announce their meddling in affairs of the Middle West and South.

These easterners consistently have followed the New Deal line. They have insisted on knee-bending subservience to the empire. They have viewed Stalin with worshipful regard.

This meddling organization follows the internationalist line. It is difficult to believe that any middle westerners will fall victim to their snobbery.

**THE CHALLENGE TO THE CHRISTIAN PRESS—ADDRESS BY SENATOR WILEY**

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on the subject The Challenge to the Christian Press, delivered by him before the Associated Church Press, Washington, D. C., April 25, 1946, which appears in the Appendix.]

**IS THE BRITISH LOAN GOOD BUSINESS? ADDRESS BY WILLIAM L. BATT**

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a radio address entitled "Is the British Loan Good Business?" delivered by William L. Batt, president, SKF Industries, Inc., Philadelphia, and former vice president of the War Production Board, on May 2, 1946, which appears in the Appendix.]

**LEFTIST PURGE IN STATE DEPARTMENT—ARTICLE FROM THE CHICAGO SUN**

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a news release entitled "State Department Leftist Purge Hits Hundreds," from the Chicago Sun, which appears in the Appendix.]

**PRICE CONTROLS ON MEAT—ARTICLE FROM THE WASHINGTON POST**

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a news release entitled "Truman Backs Anderson on Meat Prices," from the Washington Post, which appears in the Appendix.]

**ELMIRA AREA SOARING CORP.—CONFERENCE REPORT**

Mr. EASTLAND. I submit a conference report on Senate bill 842, for the relief of the Elmira Area Soaring Corp.

The ACTING PRESIDENT pro tempore. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 842) for the relief of the Elmira Area Soaring Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

JAMES O. EASTLAND,  
WAYNE MORSE,

*Managers on the Part of the Senate.*

W. G. STIGLER,

ALBERT M. COLE,

*Managers on the Part of the House.*

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

Mr. WHERRY. Reserving the right to object, I should like to have an explanation of the report.

Mr. EASTLAND. It is simply a matter of a few dollars involved in a claim filed by the Elmira Area Soaring Corp. The House amended the bill and the Senate did not agree to the House amendment, so it went to conference, and the Senate conferees have agreed to the House amendment.

Mr. WHERRY. I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

**PROPOSED LOAN TO GREAT BRITAIN**

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. McFARLAND].

Mr. WHEELER. Mr. President, I appreciate the fact that, after the long debate which has already been had on the subject of the proposed British loan, anything I may say will not change any votes in the Senate, but by reason of my opposition to the measure, I feel that I should at least state some facts concerning the proposed loan.

Mr. President, no one has a greater liking for the British people than have I. No one has a greater admiration for the heroism and sacrifice which helped to make possible their contribution to the Allied victory over Fascist tyranny. Never have I begrudged the fact that the British have consistently labored and fought to protect British interests. Under no condition would I have my opposition to this legislative proposal now before us be interpreted as a blind and unyielding refusal to recognize the desperate predicament of the British people in this hour of their need, or as an unwillingness to extend a helping hand.

I oppose this legislation primarily not because its very title—"British Loan"—is in my judgment, a fraudulent misnomer, nor because, by the fondest stretch of the imagination, it is only a fleeting panacea for the basic world economic problems that have issued from this war. I oppose this legislation from the point of view of America's highest interest.

I have yet to see a single one of the proponents of this alleged loan demonstrate what they claim to be America's crucial stake in its acceptance. Instead,

Mr. President, the once solid front of American internationalism is fast becoming Balkanized into hostile factions. As a result, our pro-British friends are pleading for Great Britain at the expense of America and our pro-Russian fellow travelers are pleading for Russian interests, again at the expense of America.

It is high time that our American statesmen, our policymakers in the State and Treasury Departments, began to champion the legitimate and crucial American interests that are involved in the whole gamut of wild-eyed international schemes through which the American people are now being dragged.

Mr. President, no sane man would deny the gravity of the economic distress of the British Empire. There is no question of Great Britain's desperate need. But this is merely another way of admitting that while they won an empty military victory the British, in reality, actually lost the war—financially, economically, and politically. They lost the war at Yalta and at Teheran.

All the propaganda about all the blessings—economic and otherwise—that will accrue to America, to England, and to the rest of the world by the passage of this legislation cannot obscure the plain fact that this alleged loan would not have a chance in the United States Senate were it not for the rising chorus of pleas that again we must save the British Empire. Every Senator on this floor knows that this legislation was doomed to defeat at the start until the propaganda was spread that the passage of this bill was an utter necessity if we were going to save Britain from the clutches of Russia, a theory to which I cannot subscribe.

This is the plea on which the passage of this legislation now depends:

If we do not make this loan to Britain she will go down and Russia will take her place. Britain continues to be our first line of defense.

That is what we have been told throughout the years on every occasion whenever Great Britain was in trouble.

We have been assured, time and time again, that the terms of this loan were mutually acceptable to both parties. We have been further assured that these financial agreements would serve to strengthen and cement Anglo-American understanding and good will.

Indeed, America has an interest in this primary relationship in a world where the rising tide of anarchy and autocracy is in full flood. But even this understanding and good will has been seriously jeopardized by Britain's reaction to America's refusal to make an outright gift to the British Empire.

It seems to me that no one can reach any other conclusion than that what the British really wanted was an outright gift. The debates in the House of Commons clearly show that that was exactly what they wanted. While I am on that subject, let me say that, in my humble judgment, the proponents of this measure would have been much more honest with the American people if they had said, "We are going to give this money to Great Britain as a gift, rather than make a loan."

The fact of the matter is, Mr. President, that this British resentment is born of a realization that their whole economic structure as an empire is beyond repair, on the basis of America's present international policies. Because of these policies, England is literally fighting for her life now, more furiously and on more fronts than ever before in her history.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. In the Senator's opinion is it possible to mix obligations with loans? If we owe England anything—and I am not saying whether we do or not—we ought to pay it, whatever it amounts to, and not pretend to pay it by extending a so-called loan favor. That makes a bad loan, and it makes a bad liquidation of whatever debt may be involved.

Mr. WHEELER. I thoroughly agree with the Senator.

Mr. WHERRY. Mr. President will the Senator yield?

Mr. WHEELER. I yield.

Mr. WHERRY. Following the observation of the distinguished Senator from Colorado, let us review the situation. Is the proposed loan a straight out-and-out loan, or is it a proposal for the cancellation of other indebtedness due us? Yesterday it was stated on the floor of the Senate that this is not only a loan, but, as I understand, an agreement definitely to cancel—by implication, at least—the balance of the debt resulting from the First World War. I understood the distinguished Senator from Ohio [Mr. TAFT] to say that, with interest, that represented about six and a half billion dollars. It definitely cancels the net balance of the result of the Second World War, which exceeds \$20,000,000,000. I stated yesterday that I felt that it was the consideration for settling, on the basis of 10 cents on the dollar, the balance due us from the sale of surplus property and unused materials, the value of which, I understand, exceeded \$6,000,000,000. Does not this loan involve the cancellation of whatever debt there is, in whatever amount? I think it was agreed that the total was approximately \$32,000,000,000.

Mr. WHEELER. I believe the Senator is correct. I am not certain as to the exact amount, but I understand the figure which he has stated is approximately correct.

Mr. WHERRY. So it is not a straight out-and-out loan of \$3,750,000,000. If we approve this agreement we go further than making a loan. We cancel all the indebtedness owed to our Government by the United Kingdom.

Mr. WHEELER. I agree with the Senator. When the lend-lease bill was before the Senate, and it was called lend-lease, I stated at that time that that was a misnomer; that it was not lend-lease, but that in reality it was a gift; that whatever we loaned we were actually giving away; and that we would never get back one cent. That statement was

disputed on the floor of the Senate by the leaders on both sides, who were in favor of the bill. My statement was ridiculed, but subsequent events have proved exactly what I said with reference to that legislation.

In the April issue of the authoritative British publication, the *Nineteenth Century and After*, Mr. F. A. Voigt, its brilliant editor, made the following tragic admission:

In September 1939, England went to war, not because her political order differed from Germany's, not for reasons of doctrine or of ideology, but, as before against Napoleon and against the Empire of the Hohenzollerns, in defense of her security. Every assertion that the Second World War was "a war of ideas," an "ideological war," a "war against fascism" is a falsification of history.

Not that ideas and "ideologies" are unimportant. But the purpose of British foreign policy is, or ought to be, the preservation and consolidation of security, the security of these islands and of the Empire. A foreign policy that does not place security first, and always first, is to be condemned in advance, as a menace to security itself—a menace, therefore, to the continued existence of Great Britain as an independent power, to the Empire as a community, to the happiness of the millions who inhabit these islands and the Empire, a menace, indeed, to mankind, for today it is certain that if these islands and the Empire have not security, the world will have none.

Russia, partly through her martial prowess, partly through her sharpness of perception and singleness of purpose, and partly through the catastrophic political defeats suffered by Great Britain during the war, has determined and continues to determine the character of the peace.

She alone of the victorious powers has achieved more than the defeat of the common foe. She has conducted a combined offensive against enemies, allies, and neutrals—against enemies by military means, against allies and neutrals by political means—and has, in less than 5 years, made conquests which must rank amongst the greatest in history. But her conquests have but begun, and will not have been completed until she is master of all Europe, until she has established a hegemony over Asia, and until the extent of her power is such that she will be able to intervene decisively in all the major affairs of the world.

These are the reasons, Mr. President, which are assigned, not publicly, but privately, as to why we must pass this legislation.

Mr. President, as I said a moment ago, if it were not for those reasons which have been assigned by the British themselves, and which are repeated by most of the members of the internationalist group in this country who favor making this loan, the loan would not have a chance to pass the Senate of the United States, because it seems to me that the more intelligent people who are in favor of the loan recognize that from an economic standpoint, both for the United States and Great Britain, it will not do the job that it is claimed it will do.

It is my solemn conviction, Mr. President, that on the basis of our present policy, the granting of this gift to Britain will set in motion forces which will drain the resources and disastrously alter the structure and the liberties of our American way of life.

Mr. President, my distinguished colleague the senior Senator from Michigan

[Mr. VANDENBERG] justified his support of the British loan as a matter of judgment "whether America, now the greatest creditor country on the globe, can best protect her own essential and inescapable position by these means." My colleague went on to say that he would not summarize his reasons in a maze of figures that can be made to prove or disprove almost anything, but in what he believed to be the preponderant logic in respect to the realities of today and tomorrow.

Mr. President, I want wholly to disagree with my distinguished colleague that the question of this British loan, as it relates to American security, is wholly a matter of judgment or that, in this case, figures and facts can be made to prove almost anything. If it be correct to say that we have to make this loan for American security, what becomes of the argument that the UNO is the instrumentality which is going to preserve for years to come the peace of the world? If we make this loan on the plea of the British, as set forth in the editorial which I have just read, then of course it means that the UNO is not functioning as the people who favored it expected it to function, but that what we must do is, in effect, to continually support the British Empire in all its undertakings, and that we must do what Mr. Churchill suggested, namely, have practically a military alliance with the British Empire.

The figures and the facts connected with this British loan point toward the sole conclusion that, by committing herself to this kind of international financing, America is caught in a vicious circle of recurring need and demand from which, since the pattern of the future has already crystallized, America cannot escape. Once we are hooked on this British loan, there is no escape.

Mr. President, as has been pointed out in the Senate heretofore, if we are going to make this loan to the British Empire on the basis of aiding her security against Russia, what in the name of goodness is going to prevent us from continually having to make other loans and gifts to the British Empire in order to protect her from the clutches of Russia in the future? All that it will be necessary to do will be to say that Russia is going to take over Europe and England, and then we shall have to go to the rescue of England again.

Furthermore, as has been pointed out in the debates in the Senate, if we make this loan to Great Britain, how are we going to turn down France, Italy, the Dutch Empire, the Belgian Empire, and every other country which has been ruined financially by the recent war, and which comes to the United States and says, "We want a loan on similar terms"? If we do not make such loans when they are requested of us, we shall make enemies of every country to which we decline to make a loan, and they will say that we are not impartial and that we are playing with England, as against all the other nations of the world.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. REVERCOMB. I wish to address a question to the able Senator upon the



point he has just made with respect to loaning or advancing money to Britain as a defense against Russia. Is it not a fact that negotiations are now proceeding for a similar loan to Russia?

Mr. WHEELER. As I shall point out a little later, Mr. President, not only is a similar loan to Russia pending, but I am told that prominent persons within the Treasury Department already are saying, "We must make a loan to Russia on exactly the same terms as those on which we make the loan to Great Britain." So, Mr. President, on the one hand, we are told that we must make this loan in order to protect the British Empire, and on the other hand we are told that we must make a loan to help Russia. Of course, that simply does not make common sense.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. WHEELER. I yield.

Mr. REVERCOMB. In connection with the question which has been raised here as to making loans to other countries, and the point that if we make this loan to Great Britain we are fixing a policy which will almost require us in good faith to make loans to other countries, I call the attention of the able Senator to the wording of the joint resolution, Senate Joint Resolution 138, which is called the British loan resolution, which provides that it is in implementation of the Bretton Woods agreements.

Mr. WHEELER. Exactly.

Mr. REVERCOMB. I wish to ask the Senator if the Bretton Woods agreement was made with a number of nations for international cooperation among all the signatory powers, and if this loan is made to implement that agreement, then, in good faith, how can we turn down a similar loan to other nations which entered into the Bretton Woods agreement?

Mr. WHEELER. I do not see how we can, in good faith.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LANGER. Would not it be good statesmanship first to take care of the Western Hemisphere? Within the last 18 months there have been two revolutions in one country in South America and one revolution in another. Every time they occurred we were told that it was because the radicals or the Communists, or whatever the people of those countries chose to call them, had taken possession of the government there. Those countries want loans from the United States. Is it not to the best interests of the United States to take care of South America first and to take care of Mexico, and, if necessary, Canada, rather than to cross the ocean and attempt to take care of the British Empire or to go over into Asia?

Mr. WHEELER. I thank the Senator for his contribution.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. It seems to me that the contest between Russia and Great Britain is working out to our

disadvantage in several ways. Today the shoe is on one foot. We are being urged to make a loan to Great Britain as a bulwark against Russia. Tomorrow the entire picture will change, and it will be urged that we must make a loan to Russia. Both sides of the question have strong supporters in this country and, as a matter of fact, in the Senate. A great many Senators are in favor of a loan being made to Great Britain merely because those Senators have a fear of Russia. There are other Senators who are in favor of the loan because it will place us in position later to make a sizable loan to Russia. It seems to me that the United States is in the middle.

Mr. WHEELER. I agree with the Senator.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BUSHFIELD. According to press reports, negotiations are now taking place in Great Britain with respect to the loan of money by Great Britain to Russia. If such a loan should be granted, I presume that it would consist of our money.

Mr. WHEELER. Why should Great Britain loan money to Russia when she, in turn, must borrow money from us? We are all familiar with Laski's statement to the effect that England should make a loan to Russia.

Mr. JOHNSON of Colorado. I believe the evidence, according to the press, is that Great Britain is making a \$40,000,000 loan to Greece, that she proposes to make a loan of about the same size to Czechoslovakia, and that she is also contemplating a rather large-sized loan to Russia.

Mr. WHEELER. I thank the Senator for his statement.

Mr. President, the proponents of this loan continually insist that it in nowise sets a precedent. Yet it is perfectly obvious that, as the Treasury Department itself stated in January 1946, "It must be remembered that aside from the United States and Canada nearly all the capital-lending countries have been physically devastated by war and are themselves in need of aid. Therefore England must look to the United States for the bulk of the credit she desires." Where else can the other nations turn, along with England, except to the United States? By making this loan to Britain we are again ostensibly underwriting the British Empire. Why, then, should we not underwrite the French, the Dutch, the Portuguese, and the Russian Empires as well, and on as liberal terms?

Senators, if this loan is made to Great Britain, every pro-Communist organization in this country will say to the Congress of the United States, "You made a loan to England in order that she might maintain her empire and her position in India, Hong Kong, and elsewhere; how can you refuse to make a loan to a great democratic country like Russia?" And if we do not make the loan to the Soviet we will be looked upon as being Fascist, anti-Russian, antiliberal and thoroughly reprehensible.

I have been authoritatively informed, Mr. President, that in spite of all the

protestations from the Treasury Department that this British loan is not to set a precedent, at least one important Treasury officer is beating the drum, behind the scenes, for a Russian loan of \$1,000,000,000, and on the basis of the identical terms we are offering to Britain.

Is there any Senator who believes that the United States can or should pile billions of dollars on top of the present debt because of which each and every American taxpayer will be forced to sweat for the balance of his life?

I ask those who are constantly expressing a desire to balance the Budget, How in the name of common sense can we balance the Budget of the United States if we pour out the money of the taxpayers of America and give it to this, that, and the other country?

Later on I shall demonstrate that the proposed loan would be a gift because, as will be conclusively shown, Great Britain will not be able to pay it back. Not only that, Mr. President, but it is apparent because of the relief clauses which are contained in the agreement, that the British themselves do not expect to pay it back. We talk about balancing the Budget and cutting down our indebtedness. How inconsistent are those who in one breath say that we must balance the Budget, and in the next breath say that we must loan nearly \$4,000,000,000 to Great Britain and at the same time cancel her debt of approximately \$30,000,000,000, which she owes on lend-lease and her World War I debt.

Mr. President, when the bill to establish the Reconstruction Finance Corporation was before the Senate I opposed it. I told Senators then that if we passed the bill to make it possible to loan money to the railroads, the insurance companies, and banks of this country, it would be only a question of time before others would be coming to the Congress of the United States and saying, "Inasmuch as you passed a bill to help the great insurance companies, the banks, and business institutions, you should help us," and, I asserted, Members of Congress would not be able to stand up against the pressure which would be placed upon them to make loans out of the Treasury of the United States. And, Mr. President, what I predicted was exactly what took place. I remember very distinctly that the leaders on both the Republican and Democratic sides of the Chamber said to me, in effect, "If this bill is enacted into law smoke will soon be coming out of the chimneys and industry will pick up, the railroads will be prosperous, and the farmers, as well, will be prosperous." Of course, nothing of the kind took place. We made loans and after once launching on the program it was never stopped. A similar program of foreign loans or of other domestic gratuities cannot be stopped, Mr. President, if the proposed loan is made to Great Britain. If this loan is approved, I should like to see Members of Congress who will dare to stand up and say to war veterans, "Yes; I voted to give the loan to Great Britain, but I cannot vote to give a loan to American citizens who are in a deplorable situation." I wonder if Senators will then

return home and say to their constituents, "Yes; I voted to give money to Great Britain, but I cannot vote to give money to American citizens." If Senators or Representatives should do that, I wonder how far they would get. Some Senators believe that the money can now be loaned because our country is prosperous. However, we cannot stand up against that kind of pressure and long remain Members of the House of Representatives and of the Senate of the United States.

The reason I am opposed to the loan is not because I do not want to help Great Britain in her hour of need. It is not because I am against Great Britain. No one sympathizes more than I do with Great Britain because of the condition she is now in. But I am looking at the entire situation purely from the standpoint of American interests, and what is best for the United States of America. I say to the Senate, make this loan, if you will, but when a depression sets in and our farmers, our workers, and returned veterans come to the Congress for help, do not turn them down.

Statements have been made with reference to a desire to balance the Budget. Are we going to tax American citizens in order to give money to Great Britain, Russia, France, the Dutch, and other countries, so as to make it possible for them to maintain their imperialism and their empires, and at the same time use the budget-balancing argument as an excuse to refuse to give help to American citizens? Mr. President, when that time arrives we will have done more to destroy the morale of the American people, free enterprise, and our form of government than anything else which we could possibly do.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TUNNELL. I should like to ask the Senator a question. He suggested that in World War II Great Britain has lost economically. A great deal has been said in this debate about the precedent which would be established so far as other nations are concerned, and the Senator is discussing that question. I have been wondering if the Senator intends to discuss at any length this loan as a precedent so far as Great Britain is concerned. If there should occur another economic crisis, such as has brought about this loan, is there anything to prevent other demands from the same source?

Mr. WHEELER. Of course not. As I have said, this British loan would not have a chance to pass the Senate, in my humble judgment, if it were not for the view expressed to me not only by Senators but by many people on the outside, and by members of the administration who favor this loan, that it is necessary to make the loan in order to keep England out of the clutches of Russia. If the loan is made upon that basis, as I shall point out, because of economic conditions that exist in Great Britain and because of the tremendous influence that Russia has in Europe, then we shall have to continue to make loans to Great

Britain time and time again in order to keep her out of the clutches of Russia.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Oklahoma.

Mr. MOORE. Referring to the Reconstruction Finance Corporation and the power it exercises of lending money in this country, the Senator is aware of course that the Reconstruction Finance Corporation is lending, and has loaned, large sums of money to foreign countries.

Mr. WHEELER. Exactly. The Reconstruction Finance Corporation was set up for the purpose of loaning money to American citizens in this country, but it is also loaning money to Great Britain and other countries. When the law providing for the Reconstruction Finance Corporation was passed no one ever dreamed that that was going to be one of its purposes or that it would be done.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield there?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. I think a very great distinction should be made between RFC loans and political loans or charity loans. The RFC loans have been business loans, and very few losses have followed. Of course, the principle which the Senator has so well stated holds, but there ought to be a distinction between a business loan made on a business basis and a loan made on a political basis or on a charity basis.

Mr. WHEELER. Of course, I agree entirely with the Senator. If this loan to Great Britain were being made on a business basis, if we were getting some security for it, I certainly would not stand on this floor and object to the loan. But I say it is purely a political loan; it is a gift which everybody knows cannot be paid back. I say "everybody knows"; perhaps that is too broad a statement, but the thinking people of the country who have considered Great Britain's obligations know that it cannot be paid back, as I shall point out a little later in my argument.

Mr. JOHNSON of Colorado. If the loan were made on a business basis then the danger of establishing a bad precedent would not be so important, because then we could say to the Dutch, to Belgium, and to all the other countries of the world "Come on and put up your security and we will make you a business loan just as we made England"; but if we make this on a charity basis or on a political basis, then any political claims or any charitable claims which may happen to work on our sympathy will have to be recognized by us.

Mr. WHEELER. I agree. I remember distinctly a conversation I had in Moscow with Mr. Checherin of the Russian Foreign Office in 1923. He asked me, "When are you going to recognize Russia?" I replied, "When are you going to pay your debts?" He said, "This is a new world." I answered, "It may be a new world to you, but it is not a new world to the American people. After all, our money in the form of loans has gone into building up your railroads and other industries. We feel we have a lien and a right to collect them." I said further

to him, "After all, the American people believe in paying their debts; that is fundamental with them; it is ingrained in all of us that we should pay our debts." He replied, "Our people will not stand for it." I said "If they want recognition, and you tell them that is the only way they can get it, do you not think they will agree to repay?" He said "Do you think France is going to pay her debts?" I said "Frankly, I do not; but the American people still think she is." He said, "Of course, France is not going to pay her indebtedness."

Of course, when other countries do not pay their indebtedness to the United States, how could we expect Russia to pay her indebtedness? How can we expect Holland, Belgium, France, Italy, Greece or any other country to pay their debts, when they believe Uncle Sam is a Santa Claus and is giving money away, why should he not give some of it to us? If, Mr. President, you make a loan or a gift to one of your relatives who happens to be poor and do not make a similar loan or gift to another relative who is in the same circumstances, everyone knows what happens. The second relative is resentful; ill-feeling will result. That is human nature, and in this matter we are dealing with human nature.

I ask, what right has the Congress to vote the taxpayers' money to give away to some other country? Let those who are in favor of making this loan to Great Britain provide, as the Senator from Colorado has suggested, for a subscription loan to the people themselves, but not make it a compulsory burden on all the taxpayers of the United States.

I do not believe that the Government of the United States was set up as a lending agency or an agency to give away the American taxpayers' money. It is definitely argued of course that we have no right under the Constitution to take money or property away from one class of people in this country and give it to another class. We have heard that argument upon the floor of the Senate. If we have not the right to take the taxpayers' money away from one group in this country and give it to another, what right have we to take the taxpayers' money and give it to a foreign country?

Can those who have spoken on behalf of the workingman or in the interest of economy or tax reduction square their statements with a vote for this loan?

Who is going to pay for this loan? After all, there are only three ways by which new wealth can be created. It comes either out of the land, the water, or the air. Our natural resources combined with the brain and brawn of the people of the United States are what create new wealth. So, the workingmen of the country and the farmers of the country will have to pay it.

Someone said to me last year while I was in Montana, "Why are you worrying about the great debt of the United States? Why not let the Morgans, the Rockefellers, the du Ponts, the Fords, and the rich people pay the debt?" I answered, "Has it ever occurred to you that if the Government took all the money and all the property they have, it would not pay the interest upon the in-



debtedness of the United States for 1 year?" After all, it is the people who work with their hands in the factories, those who work and slave upon the farms from early morning until late at night, and those who work with their brains who will have to pay this indebtedness. It is not only an indebtedness the present generation will have to pay, but it will be their children and their grandchildren who will have to pay for this gift we are asked to make to Great Britain at the present time.

I ask the Senators who are going to support this legislation what they are going to say to the farmers of America, to the millions of GI's and to the 20,000,000 underprivileged in this country when another depression strikes? Do they think it will be sufficient to lament the fact that we have not made any provision for such an emergency. We cannot help you out because we have squandered our resources abroad?

The stupidity of committing America to such a future is most graphically exposed by the very figures which the distinguished Senator from Michigan, Senator VANDENBERG, said could be used to prove anything.

They present such a fantastic financial agreement that no sane businessman or banker would have anything to do with them. To present such financial arrangements as a basis for America's future role as banker to the world is not only fantastic—it is suicidal. For both America and Britain, this loan is an economic absurdity.

From the point of view of American interest, let us state the simple facts: There are three separate agreements involved. One is for a definitive settlement of our lend-lease claims against Great Britain; the second is an agreement with Great Britain in which we undertake to make the British loan; the third is Britain's promise to support America's trade proposals at an international trade conference this coming summer.

In the first agreement, namely, the settlement of our lend-lease claims against Great Britain, she is enabled completely to liquidate all her wartime loans of arms and supplies as well as cash which she received under lend-lease—all of which amounts to over \$25,000,000,000—for the sum of \$650,000,000. This amounts to a settlement of 2½ cents on the dollar, and exposes lend-lease for what I charged it with being at the time of its passage on the Senate floor—a gift that would never be repaid.

Furthermore, the American taxpayer will continue to take a loss of \$500,000,000 a year to pay the interest on the lend-lease loans we are canceling.

Five hundred million dollars a year is what the American taxpayer will have to pay in interest on the lend-lease loans.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON of South Carolina in the chair). Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. It is all very well for us to cancel the lend-lease with Britain and with every other nation

in the world, but there is one people with whom we do not cancel it, the people of the United States, who put up the money.

Mr. WHEELER. Certainly.

Mr. JOHNSON of Colorado. They put up the money, and we cannot cancel that. We still owe them, and we must pay them, and pay them interest on the money they put up.

Mr. WHEELER. The Senator is correct. We are preparing the way for repudiation of our indebtedness or for wild inflation, which amounts to the same thing. We cannot continue to pile up indefinitely billions upon billions of dollars of indebtedness without at some time in the future absolutely destroying the whole economy of the United States, and either going to inflation, as the countries in Europe did, or to repudiation. Regardless of how many OPA's or anything else there may be, if we pile up the indebtedness high enough we are going to have inflation, because that is the easy way, as so many other countries have found in the past.

Mr. JOHNSON of Colorado. That is the only answer. When we so blithely and so generously talk about cancellation of lend-lease, and make it easy to cancel all lend-lease obligations all over the world, we should remember that there is one lend-lease obligation we are not canceling, and which we can never cancel, except in the way the Senator has indicated.

Mr. WHEELER. Certainly. I recall, when we had before the Senate the veterans' bonus bill, to pay the soldiers of World War I a few years in advance what we owed them, a very distinguished Senator stood on the floor of the Senate and said payment of the bonus would destroy the economy of the United States and cause great inflation. I remember the President sending a message to Congress vetoing the bill, on the ground that it was not in accord with his program and would tend to upset the financial situation in the United States.

Senators will recall when we had bills before us for WPA it was asserted that the expenditure was going to destroy the economy of the United States. Yet we find the same people who were denouncing those programs that they said would cause an indebtedness which would destroy the economy of the United States—these programs which cost a pittance in comparison—now saying we should cancel lend-lease, not only cancel it, but give the British nearly \$4,000,000,000 more, and loan and give to this country and that country, notwithstanding the fact that when we cancel lend-lease the American taxpayer will have to continue to take a loss of \$500,000,000 a year alone in paying the interest on what we are canceling.

Mr. WHERRY. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. WHERRY. The Senator recognizes that it will not be long now before we will have to give our utmost consideration to the veterans, their applications for bonuses and loans, and all the other forms of aid which must be given them in the coming years.

Mr. WHEELER. The Senator is correct.

Mr. WHERRY. Which will add untold billions of dollars to the debt which we now have and which we cannot even compute. Is not that true?

Mr. WHEELER. The Senator is correct. Frankly, I am very much disturbed because we are piling up our debt, and I see no end to it. I say in all sincerity that I am very much afraid, not as to what is going to happen to some other country, but what is going to happen to the United States of America, when we proceed to spend money so freely.

We are asked to cancel the lend-lease debt owed by Great Britain but will we not have to cancel it for Russia, and for all the other countries? Will anyone tell me that Russia will pay if we cancel the debt to Great Britain? Will we not have to cancel the Russian debt? So, in addition to the burden of \$500,000,000 interest on the lend-lease loans which we are canceling, American taxpayers are going to have to pay hundreds of millions of dollars more in taxes for the lend-lease we cancel to the other countries.

So far as this first agreement which settles the lend-lease claims is concerned, England will pay back the \$650,000,000 in sums of \$50,000,000 at no specified time.

The second agreement provides for an outright loan of \$3,750,000,000 by this Government to the Government of Great Britain. This loan is to be repaid to us in 50 annual installments at an annual interest rate of 2 percent. Yet the interest, while ostensibly at 2 percent, really amounts to a rate of but 1.62 percent a year since it will not start being paid—if it is ever paid—until after a 5-year period of grace. This means that the American Government will have to pay \$93,750,000 annual interest to borrow this money from the American people at the rate of at least 2½ percent. Even if the British were able to work the miracle of repaying the annual interest of \$60,750,000 at the end of the 5-year moratorium, the American Government would be taking an annual loss of \$33,000,000 a year to finance the interest on this loan, in addition to the annual deficit of \$500,000,000 to pay the interest on the lend-lease debt we are forgiving.

On the basis of these simple figures, is there anyone who would defend this alleged loan as a justifiable economic undertaking from the point of view of America's interest?

So far as the third agreement is concerned, Mr. President, there is not a Republican or a Democrat on the floor of the Senate who would dare to tell the American people he is willing to support any kind of a trade proposal which would lower our tariffs to permit America's standard of living to be watered down to the level of the peasant agrarian economies of the Orient, or to the low labor production costs of England and Europe, or to the economic level of existence of Russia and her satellites, where labor costs are purely a political item.

Let me say with reference to Europe that some of us who have been there recently know perfectly well that the people in practically every country on the Continent would be willing to work for

almost anything, so long as they received enough to eat, a few clothes to wear, and a roof over their heads.

I voted against the Smoot-Hawley tariff bill after the last war. I believed the tariffs were too high. But there is no end to misery in store for the American people if the United States opens its tariff gates to the indiscriminate flood of the products of low-subsistence economies and cheap labor, which it will be necessary for us to do in order to provide the markets that will be needed for the reconstruction of the endless line of borrowing nations with which we are now confronted and for the repayment of these alleged loans.

For labor this means that wages would have to be reduced here in America to meet the competition of low foreign wage standards. It means that our farmers and businessmen would in many instances become bankrupt. Certainly the businessmen would become bankrupt and the farmers as well would become bankrupt unless labor costs went down so we in America could compete with Europe.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. We hear a great deal about the necessity for world trading. There is a universal desire in this country to export. Of course, trading is not a one-way street. If we are to export, we must import, and the amount of our exports will depend entirely upon the amount of our imports. The two must eventually balance each other. Of course, some of the big-business interests of our country want us to make the loan so we may increase our exports, but when the loan is paid, if it ever is paid, it must be at the expense of our exports. So the only way we can increase world trading so far as we are concerned is by increasing our imports. Yet businessmen, including businessmen who are Members of the Senate who are interested in that very question, refuse to face that issue.

Mr. WHEELER. The greatest market in the world is right here in the United States. Of course, we want world trade, but our exports represent about 8 percent of our business. Some industries, such as the automobile business and others in the United States, can compete in a free market any place in the world because we turn out a cheaper and superior product. But the great bulk of the industries in this country cannot compete with the cheap labor of Japan, Britain, and many other countries.

The Senator from Colorado refers to American businessmen favoring the loan. Some of them have been misinformed. Some of those who favor the loan and are more actively for it than others, for instance, banking interests who make their money out of international loans and international finance. They would get a "take," a profit out of it. But they do not want to make such a loan themselves. If the loan were any good they would make it themselves. But they know it is not good, so they want to have the burden placed on the American taxpayers, and the taxpayers' money used

for the purpose, so that after a while they can make loans and make profits from them.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WHERRY. I can see, as a result of the debate that has taken place on this issue for many days, that if we simply wish to build up a tremendous export trade, and if our exported goods will not be paid for, but will be given to various countries, it will, of course, result in helping labor, and giving everyone a job. But if the exports are to be paid for, and we are to preserve the stability of our own country, then what the Senator has said so forcefully is true, that they must be paid for by imports. Is that not correct?

Mr. WHEELER. Yes.

Mr. WHERRY. The Senator said that we can export automobiles and some other products by reason of their superior quality, and the volume of production in this country. But if Great Britain is to repay the loan it must be done through the importation into this country from Britain of watches, textiles, and other goods which she manufactures. The importation of such goods will bring about direct competition with our own labor markets.

Britain can use the proceeds of the loan to employ her labor to manufacture products to sell in the best market in the world in competition with American labor, which should be given the opportunity to produce the commodities here. Is that not correct?

Mr. WHEELER. Yes. I cannot for the life of me understand how anyone who comes from a textile-manufacturing State, or a State in which shoes, jewelry, watches, and similar articles are manufactured—such as Massachusetts, from where I came originally—can favor the loan, because if the agreement is entered into—and I shall point out later what Mr. Churchill has had to say about the matter—and present practices are continued, it will result in the ruin of the industries of such States.

Mr. President, while I am a Democrat, I have never been for free trade, for the simple reason that I recognize that a country cannot compete in the free-trade market unless its labor costs are on a basis comparable with the labor costs in other countries. The labor costs in the United States are higher than they have been at almost any time, and far higher than they are anywhere else in the world. How in the name of common sense labor can be in favor of this loan, how the American farmer can be in favor of this proposal, and the letting down of the tariff barriers, is beyond my comprehension. But I want to say that the propaganda that has emanated from the State and Treasury Departments in order to put across this loan, has completely misled a great many people in the United States.

As for the British, Mr. President, it is perfectly obvious that this financial agreement cannot be kept. The British will not be inclined nor able to repay either the principal or the interest in any foreseeable future, any more than they

were able to pay their World War I debts, or their lend-lease debt. Does anyone deny that England's present financial and economic predicament is infinitely worse than it was following the last war? Yet she said she was not able to pay her indebtedness after the last war.

On December 17, the late Lord Keynes stated in the House of Lords, in speaking of these financial arrangements:

I am hopeful that the various qualifications which have been introduced, the full significance of which cannot be obvious except to experts, may allow in practice a workable compromise between the certainty they wanted and the elasticity we wanted.

What does that mean? He said their full significance "cannot be obvious except to experts." And that the qualifications "may allow in practice a workable compromise between the certainty they wanted and the elasticity we wanted." What was the elasticity "they" wanted? The elasticity they wanted was an outright gift.

Mr. President, the figures and facts having to do with Great Britain's present financial and economic condition force us to interpret the late Lord Keynes' description of the "elasticity" the British want, as a tacit admission that these escape-clause-riddled agreements serve only to cover Britain's inability to pay even the interest, to say nothing of the 50 annual installments of the principal, even after the 5-year period of grace has elapsed. It was Lord Keynes, himself, who stated in the debate in Parliament that:

I shall never so long as I live cease to regret that this is not an interest-free loan. The charging of interest is out of tune with the underlying realities. It is based on a false analogy. The other conditions of the loan indicate clearly that our case has been recognized as being with all its attendant circumstances a special one.

Lord Keynes went on to say:

Assuming, however, that the principal of charging interest had to be observed almost everything possible has been done to mitigate the burden and to limit the risk of a future dangerous embarrassment.

Why was it not a gift? The reason it was not a gift was the fact that it was masked by so-called escape clauses. It was known that the American people would not stand for an outright gift, so it was covered up with a great many escape clauses by which the British could get out from under the loan, and make it, in effect, a gift, whereas it would be sold to the American people as a loan.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McFARLAND. As to the interest which is charged, a part of it is a gift, is it not?

Mr. WHEELER. Certainly.

Mr. McFARLAND. And to that extent it costs the American people more.

Mr. WHEELER. Yes.

Mr. McFARLAND. A part of the interest is a gift. For some years we do not charge any interest, and we do not know how long that period may last.

Mr. WHEELER. That is correct.

Mr. McFARLAND. Therefore so far as the loan is concerned, a part of the loan is a gift.



Mr. WHEELER. That is correct. Without any question it is an outright gift.

Continuing the quotation from Lord Keynes:

We pay no interest for 6 years. After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar.

I remind you, Mr. President, that this figure of 60 percent increase in exports over 1933 refers to the volume of trade and not to the value. Is there any Member of the Senate who would dare to assert that he can conceive of Britain's ability to increase her exports 60 percent over the 1933 average in the foreseeable future, particularly with the economic conditions which prevail today throughout Russia, and particularly with Russia taking over all the Middle East, the Baltic States, the Balkans, Poland, and a part of Germany. It is in that area that Great Britain must have a tremendous amount of export trade in order to live. It will be recalled that on other occasions I have pointed out that British statesmen have repeatedly said that whoever controls middle Europe controls Europe. That is, whoever controls that part of Europe from the Baltic down to the Aegean controls all of Europe.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. We talk about Britain increasing her productive capacity so that she may export 60 percent more than her prewar exports; and yet we know that her productive capacity has not increased that much, and will not and cannot increase to any such extent.

Mr. WHEELER. Exactly.

Mr. JOHNSON of Colorado. She has a shortage of manpower. She had reached her top productive capacity before the war. The British have the same labor problems which we have—shorter hours, improved working conditions, and a lessened output per man.

Mr. WHEELER. That is correct.

Mr. JOHNSON of Colorado. So there is no chance whatsoever that Britain can increase her exports 60 percent; and if she does not, she will not have to pay any interest.

Mr. WHEELER. That is correct.

Mr. JOHNSON of Colorado. But the interest rate which our people will have to pay is not dependent upon that factor. Our people must pay their 2½ percent interest day by day, month by month, and year by year. Their interest is not forgiven.

Mr. WHEELER. That is correct.

Mr. Robert Boothby, leader of the young conservatives, stated in the House of Commons during debate on the loan:

A close examination of this document indicates it will be very easy for England to escape paying either interest or principal whenever it suits her purpose.

That is not a statement by someone who does not like England. That is what a conservative member of Parliament said.

In other words, Mr. President, the conditions of this loan, while they purport

to be a financial agreement embodying the obligation and expectation of repayment in full, with interest, make it exactly impossible for England ever to be obligated to repay. In the first place Britain emerged from this war with a \$15,000,000,000 debt to the sterling bloc countries. There were other countries which helped finance Britain's war expenses besides the United States, Britain owes India over \$6,000,000,000 as just one item of her sterling debt. We are informed that by the terms of this loan these sterling debts are to be refunded or written off. But who can say that England can get such countries as Malaya, Palestine, Egypt, Eire and India to transform their sterling fund into low-interest long-term loans to Britain, or to write them off entirely? And, if they are not able to do so, what chance has England to pay the loan or to increase her trade with these countries?

At Bretton Woods, India sought the release of her sterling funds but when she attempted to raise the issue, America joined with Britain in silencing her. I know of no other interpretation to place on this proceeding than that it is a step toward forcing the acceptance by the British colonies of an American-dominated gold standard by which we begin to underwrite the British Empire and become its protector.

If one who owed a large indebtedness to a great many people, so that he was in a state of bankruptcy or facing bankruptcy, went to a banker and asked him for a loan, the banker would not say to him "I will make you a loan." He would say "Go out and comprise your debts with these other people and then I will consider making you a loan."

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McFARLAND. If one went to a banker to whom one already owed money, the first thing the banker would say would be "How about giving us something on your old debt?"

Mr. WHEELER. Of course.

Mr. McFARLAND. That is what I am seeking to do by the amendment which I have proposed. Unless there is a different type of banker in England than we have here, that is a banking principle. One would hardly expect to obtain another loan from a bank unless he showed some promise of being able to pay something on the first loan.

Mr. WHEELER. In my judgment, English bankers are much shrewder than American bankers.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BREWSTER. I understand from reports which I have read that the British gave assurances to some of our comrades that none of this money would be used to develop cotton in other areas of the world. Was there not some discussion of that question?

Mr. WHEELER. Yes.

Mr. BREWSTER. I do not know whether that pledge extended to the two or three billion dollars in assets which the British have in this country, outside the loan.

Mr. WHEELER. I could not say as to that.

Mr. BREWSTER. Would it not be entirely feasible to use assets which they had either in this country or elsewhere without violating what was alleged to be a pledge that they would not use the proceeds of the loan? It would not make a particle of difference whether they used any part of this loan or not. After all, how is Great Britain going to prevent an English businessman from going to one of the colonies and increasing cotton production? It could not be prevented without setting up a totalitarian government over there; and they are not going to do that. So in my judgment a promise of that kind does not mean a single thing. Of necessity Great Britain will try to produce cotton in her colonies, or produce anything else which will enable her to buy cheaper than she can buy in the United States. It would not make sense for her not to do so. I would expect England to do exactly what she has always done, namely, look after the best interests of the British Empire. If she is going to look after the best interests of the British Empire, she is going to buy cotton wherever she can buy it the cheapest; and if she can buy it cheaper by improving the situation in her own colonies, she is going to do so.

Furthermore, of course, she owes India a great amount of money. Does anyone think for a moment that Britain is not going to encourage the production of cotton in India, so that she can buy it cheaper there than she can buy it in the United States, where it is produced with high labor costs?

Mr. WHEELER. Of course, the price of our cotton is materially affected by the subsidy which we are paying.

Mr. BREWSTER. That is correct.

Mr. WHEELER. I believe that we are paying a subsidy of 4 cents.

Mr. BREWSTER. I do not know what the price is. I am not an authority in the cotton field.

Mr. WHEELER. Neither am I.

Mr. BREWSTER. But is it not the policy of this Government to oppose what is called dumping?

Mr. WHEELER. Definitely.

Mr. BREWSTER. In other words, any government which subsidizes a product is considered as dumping that product if it puts it into its export trade; is not that correct?

Mr. WHEELER. That is correct. Of course, England wrote a prohibition of such a policy into the trade agreements which we made with her in 1938.

Mr. BREWSTER. In what way is the cotton subsidy, insofar as export cotton is concerned, distinguishable from dumping? Does the Senator from Montana know?

Mr. WHEELER. I would say that if the United States puts a premium on the cotton that is sold abroad, in effect it is dumping, and it is one of the things which it was complained that the totalitarian governments in Europe were doing.

Mr. BREWSTER. That was the very policy which we considered a violation of the free economy which we advocate.

Mr. WHEELER. Exactly. Let me say that in the trade agreements which we

made with England in 1938, that was one of the things which we agreed the two countries would not do.

Mr. BREWSTER. Mr. President, let me ask the Senator whether the production of cotton in other parts of the world is cheaper than the production of cotton in the United States.

Mr. WHEELER. Certainly it is.

Mr. BREWSTER. Is that a fair assumption?

Mr. WHEELER. There can be no question about it.

Mr. BREWSTER. What prevents foreign cotton from coming into our country?

Mr. WHEELER. Nothing whatever.

Mr. BREWSTER. Is there not an absolute quota limitation on the importation of foreign cotton into this country?

Mr. WHEELER. I am not sure about that.

Mr. BREWSTER. I discussed this matter with Mr. Will Clayton, whom I am sure the Senator from Montana recognizes as an authority.

Mr. WHEELER. He certainly is an authority on cotton.

Mr. BREWSTER. Yes. He assured me that there was such an absolute quota. Before the Finance Committee, a week or two ago, Mr. Clayton very vigorously attacked the policy of what he termed "absolute quotas," under which one country cannot export to another more than a certain amount of a commodity. He said that was absolutely contrary to the principles and policies of the Department, although that is the precise policy which he tells me prevails with regard to cotton; that there are absolute quotas on the importation of cotton into this country, fixed by administrative action.

Whether that is distinguishable from the protective-tariff theory, to which some of us still adhere, seems questionable. Does the Senator think it would come within that general principle?

Mr. WHEELER. I should think so, undoubtedly.

Mr. BREWSTER. I gather that Mr. Clayton considers it much worse than a protective tariff, because under a protective tariff at least there is a limit on what can be done, whereas under an absolute quota there is no limit.

Mr. WHEELER. That is correct. The principal complaint about what was going on in Europe was that there were put into effect certain tariffs and absolute quotas and nothing could be shipped into those countries unless the government gave its permission.

Mr. BREWSTER. Yes.

The Senator from Montana has been a Member of the Senate for a long time and he has observed over a period of many years the discussions and debates in the Senate about those who were alleged to be tariff barons and about the old high tariffs, such as the Payne-Aldrich tariff, and the evils thereof. So let me ask the Senator this question: When we recall the diatribes which were directed at the so-called tariff barons, questioning and criticizing their action, does it seem to the Senator that their actions were so extreme as are absolute quotas? People used to talk about the steel barons and others who were said to

have monopolies in this country. If those gentlemen—Mark Hanna and all his ilk—could have had an absolute quota against the importation of foreign commodities, what would some of the comrades of the Senator from Montana, on his side of the aisle, have had to say about that?

Mr. WHEELER. I am afraid that I and my comrades on this side of the aisle would have denounced it from the hill-tops.

Mr. BREWSTER. Yes. Would you not have denounced it as far worse than any tariff policy which we had?

Mr. WHEELER. There is no question about that.

Mr. BREWSTER. But now we find that some of those who protested most vigorously against protective tariffs are themselves sheltered by an absolute quota against the importation of the commodity with which they are concerned. Is not that correct?

Mr. WHEELER. Yes; that is entirely correct.

Mr. BREWSTER. They are assured now that their position is not going to be prejudiced by the British loan agreement, the advocates of which, according to reports in the newspapers, have now appeased them; for although they were at first very much concerned, now they have received assurances that the British loan agreement will not disturb the absolute quota on cotton, or that Britain will not purchase cotton elsewhere—insofar as such assurances may be considered to have appeased them.

Does the Senator from Montana believe that they may be considered to be a trifle naive in their view that their present position will not be disturbed?

Mr. WHEELER. Mr. President, as I have said, I cannot conceive that the British people or the officials in charge of the British Government, whether it be a Labor government or a Conservative government—because when foreign policy is concerned, there is no difference between a Labor government and a Conservative government in Britain, and they both have the same policy; namely, to preserve the British Empire.

Mr. BREWSTER. Mr. President, would it be fair to say that, in Britain, Prime Ministers come and go, but the British Foreign Office and the British Colonial Office go on forever?

Mr. WHEELER. That is correct.

Mr. President, as I said a while ago, I am opposed to a tariff which protects a monopoly in the United States of America.

Mr. BREWSTER. And the Senator from Montana would also be similarly opposed to an absolute quota, I assume.

Mr. WHEELER. Yes; much more so.

Let me say that I am in favor of a tariff which will protect American industry and American farmers and American workers against the competition of cheap labor in other countries. There may be a Utopian idea that we are going to have free trade throughout the world, but I cannot conceive how any man who believes in the United States of America and wishes to protect our high standards of living can say that he wants to tear down completely the

tariff laws of the United States, so that England, even though her standards of living and her labor costs are far below those of the United States, can, without limit, ship her goods into the United States. There can be only one result of permitting that to be done, and that will be to bring the living standards in the United States down to the living standards of the countries of Europe and of Asia with which we would have to compete under those conditions.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HAWKES. I thoroughly agree with what the Senator from Montana and the Senator from Maine have said about the tariff. I would put it this way: We never can expect to have what is called free trade and a free interchange of goods throughout the world, except in conversation, unless and until all the living standards and all the relationships of all the people throughout the world are on the same basis.

Mr. WHEELER. Of course.

Mr. HAWKES. That is the only way it can ever be done as a practical matter, and at the moment that is an unadulterated Utopian conception.

Mr. WHEELER. Of course; and the people who talk about tearing down our tariffs, are in my opinion advocating the complete destruction of the economic standards and Government of the United States.

Mr. HAWKES. Mr. President, will the Senator permit me to make another observation at this point?

Mr. WHEELER. Certainly.

Mr. HAWKES. I am very deeply interested in seeing the United States of America do its full duty as a leader in the world, but I know very definitely that we never can do so and we never can accomplish any such results unless we preserve and maintain ourselves.

In this connection let me say that I have felt all along—whether I am right or wrong, never have been able to change my opinion on this matter—that we have, as yet, no knowledge whatsoever regarding the effect of the reciprocal trade agreements. They came into being at a time when we were suffering because of abnormal conditions. The Senator knows, as I know, that it requires 5 or 10 years for the industries of the various nations to build themselves up and get ready to take advantage of the opportunities which may have been created. Therefore, to open the garden market of the world—that is what we are being asked to do—to all other nations without any knowledge or experience as to what it will do to our people, can bring the wrath of God down on the heads of the American people. I do not know how I shall vote on the proposed loan. I agree with the Senator from Montana that we must think of our own people, and that any Senator who acts without regard for the ultimate welfare of the people of the United States, will be required to answer long before the judgment day.

Mr. McFARLAND. Mr. President, will the Senator yield so that I may



propound a question to the Senator from Maine?

Mr. WHEELER. I yield.

Mr. McFARLAND. Under what law did Mr. Clayton say that the quotas were made?

Mr. BREWSTER. As I recall, it was the Agricultural Adjustment Act. Mr. Clayton cited a couple of laws under which the quotas were made. I believe that he said that advice had been received from the Tariff Commission, concerning the matter, but I further believe that the final determination was made in the Department of Agriculture.

Mr. McFARLAND. I may say to the Senator that cotton is grown in Arizona, and we are interested in the price of cotton. Is there anything in the proposed loan which would require Great Britain to purchase cotton in the United States if she could obtain it at a cheaper price in some other country?

Mr. BREWSTER. Mr. Clayton insisted that, under the terms of either this agreement or some other agreement, it is provided that any State trading shall be done on an economic base. He defended that situation before the Finance Committee where he said that if we offered Great Britain cotton at a price as low as that for which it could be obtained from Egypt, Brazil, or some other country, Great Britain would be morally obligated to take the cotton from us. The position seemed to me to be a rather tenuous one, but that is all he could claim.

Mr. McFARLAND. Suppose Great Britain did not choose to buy our cotton; then what?

Mr. BREWSTER. I do not know how we could compel her to buy it. I believe that she may buy cotton wherever she can obtain it. England may say, "You are dumping this cotton, you are paying a subsidy of, for example, 4 cents a pound. That practice is one which you yourselves condemn. Certainly we are not obliged to buy from you when we have the free economy of other countries, such as Egypt, India, or Brazil, with whom we prefer to deal."

Mr. WALSH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WALSH. A few months ago Congress extended the reciprocal trade agreements law which authorized the President of the United States through the State Department to reduce tariffs. I should like to ask the Senator if he takes the position that interlocking with the passage of the pending joint resolution is a movement, which will assert itself shortly, to open up the markets of the United States to the products of various other countries, particularly the British Isles, by negotiating a further reduction of tariff duties. In that event we would not only be giving money to be used in rehabilitating the industries of Great Britain, but in extending her markets into our own country.

Mr. WHEELER. Very definitely, that is a part of the plan.

Mr. WALSH. Does the Senator from Maine have the same opinion?

Mr. BREWSTER. I may say to the Senator from Massachusetts, who I be-

lieve joined in opposing the extension of the powers of the Reciprocal Trade Agreements Act, that it has been expressly provided that an economic conference shall take place. Moreover, it has been reported in the press that actual discussions are in progress concerning reciprocal trade agreements or further concessions. The matter interested me so much that I asked for a report on the situation. Following World War I, when the Senator from Massachusetts was a Member of the Senate, it will be recalled that we were inundated by foreign goods, particularly British imports, to our country, and particularly in the textile field, which involves a matter of great concern to New England. The figures concerning the situation were astounding. World War I lasted for only 18 months, so far as the United States was concerned, but the British, in spite of having been engaged in the war for 4 years, were able to resume their normal production much more rapidly than perhaps they will now. However, there is every reason, so far as I know, to anticipate that not alone under the reciprocal trade agreements which have reduced our tariffs from the high point of, let us say, an average of 32 percent—we are within 4 points of that—but under the extension of the authority they may now go to 16 percent, which will be 12 points under the Underwood tariff. The Underwood tariff was so tragic in its consequences in 1920 that the Congress enacted immediately an emergency tariff law, and subsequently the Fordney-McCumber Tariff Act, neither of which proved adequate to prevent the destruction of our economy. The parallel which we now face is, to me, very menacing.

Mr. WALSH. The agreements already made under the reciprocal trade agreements with Great Britain cover more than a thousand items.

Mr. BREWSTER. Yes.

Mr. WALSH. Practically all those items are manufactured in this country mostly along the Atlantic seaboard in the States of Maine, New Jersey, and other States, including my own State of Massachusetts. The Senator will recall that when the proposal was made to increase the power to decrease tariff duties, we were inundated with protests from many manufacturers. It seems to me that a clear declaration, if it is possible to make one, should be made that no other effort will be made further to reduce the tariffs and flood our country with imports.

It is generally believed that one of the purposes behind the agreement is not only to rehabilitate and reconstruct the industries of Great Britain, but also to unite her to use our markets. To do so might be destructive of our economy. How at this time any Senator could vote for a proposal which would take business away from our producers and employment from our workers is difficult for me to understand. The Senator will recall that in the woolen industry alone, the figures show that the wages paid in Great Britain are one-third of those paid in this country. I think that we should stress that fact not only when dealing with the proposed loan, but when deal-

ing with the problem of opening up our own markets and putting barriers against the free and preferential opportunities for our own industries and our own workers to trade in the domestic market without competition from goods produced under cheap-labor conditions.

Speaking of the effect of lowered tariffs on the wool industry, we must not overlook the fact that this would have disastrous effects upon the western wool producers. Every ounce of woolen goods imported reduces the American market for the wool growers.

Mr. BREWSTER. It has been generally understood, and testified to, that Great Britain must expand her exports by 60 percent in order to escape from her present situation.

Mr. WHEELER. Not only 60 percent, but 60 percent more than her exports were in 1938 or 1939 with a closed economy.

Mr. WALSH. Where is she to obtain her markets? It will be impossible to do so in Russia and in the Middle East. It must be in this country.

Mr. BREWSTER. If we were to provide an opportunity for Great Britain to increase her exports by 60 percent, would not the Senator from Massachusetts agree that the great bulk of those exports would inevitably be in the textile field?

Mr. WALSH. There can be no doubt about it.

Mr. BREWSTER. The impact on our Atlantic coast industries would be tragic in the extreme.

Mr. WALSH. The Senator's statement is correct. So, I consider that in voting and passing upon this joint resolution we are also indirectly, perhaps, directly, extending an invitation to foreign competitors to come here and take our own domestic markets away from our own producers and our own workers. Does the Senator agree with that?

Mr. BREWSTER. Are we not going to be told, inevitably, "If you want your money back, you must take our goods, because that is the only way you can get your money back"? That must come in conflict with the interests of everyone of our local industries which is affected, as the Senator from Massachusetts has said.

Mr. WALSH. It is a very serious step we are asked to take.

Mr. WHEELER. I have said, I cannot for the life of me understand how anyone who comes from a manufacturing and industrial State in this Nation, such as the New England States, and other States, can possibly be for this joint resolution, for the very reasons which have been stated. It not only provides for a loan, but it is said there will be some time next fall an agreement, when, the officials say, we are going to open up world trade. A little later I intend to quote at length what Mr. Churchill said with reference to this matter. He stated that the British are not committed to make payments and give up their preferences unless there is world-wide letting down of the tariff barriers, free trade, which he does not expect will happen.

Mr. WALSH. In other words, we are to make a large loan or gift to a country

for the purpose of enabling it to compete with our own producers.

Mr. WHEELER. That is correct.

Mr. WALSH. I do not know of any person in private affairs who would make a loan to his competitor for the purpose of destroying himself.

Mr. WHERRY. Mr. President, will the Senator from Montana yield so that I may make a suggestion to the distinguished Senator from Massachusetts?

Mr. WHEELER. I yield.

Mr. WHERRY. It is along the line the Senator has already mentioned. We voted a recognition of the schedules in the last agreement, with special reference to watches. The Executive made up the quotas. That is the one feature of the agreements as to which I think we go wrong. The Congress does not control; we delegate the power to the Executive.

I think the quota was 7,000,000 watches. I cannot remember the exact figure, but we received protests from the watch producers of America. The protests flooded the Small Business Committee, the statement being they could not start to compete with the importations of watches from abroad.

The Senator comes from Massachusetts, where large number of watches are manufactured.

Mr. WALSH. To such an extent that my colleague the Senator from Connecticut [Mr. HART], and I myself yesterday offered a resolution to have the matter investigated.

Mr. WHERRY. Certainly. That is an outstanding example of paying exports with imports, an example of the very thing that is going to destroy the watch industry. We might go further and say it will destroy the textile industry.

When we cancel loans already made we do one thing, when we make a new loan we do another, but when we go further, in reality we determine what the imports will be, and when it is done by quotas, the economy of the country is thereby determined.

Mr. CAPEHART. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. Has the Senator from Massachusetts concluded?

Mr. WALSH. For the moment. I may ask another question later.

Mr. WHEELER. I yield to the Senator from Indiana.

Mr. CAPEHART. It is a normal operation for a manufacturer in business to want to sell merchandise on long terms, which in reality is lending the money to the purchaser during the term of payment. One of the amendments I have offered to the joint resolution provides that we lend Great Britain a billion and a half dollars, or the difference between what we buy from them and what they buy from us. There is nothing particularly unusual about that in business transactions. It is a good business transaction. I do not like the term of 50 years, but that is something that was set up. Under my amendment the money we lend to England will inure directly to our own manufacturers, our own producers, our own farmers, and our own laborers. In other words, we will be manufacturing the merchandise,

growing the food, producing the goods, selling them to England, and figuring the difference between what we sell to her and what she sells to us.

I am willing to lend the British the amount of the difference, not to exceed \$1,500,000,000. That is a practical, normal business transaction, one which I think we should be willing to enter into, because it eliminates what the able Senators have been discussing, namely, that we put the British in competition with ourselves, because under the plan of lending \$3,750,000,000 we give England the money to do with as she sees fit.

Mr. WALSH. Will either Senator inform me where there is any constitutional right for the United States to lend its taxpayers' money to a foreign government?

Mr. WHEELER. I called attention to that a short time ago.

Mr. WALSH. I am sorry I was not in the Chamber at the time.

Mr. WHEELER. I asked what right, under our Constitution, has the American Congress not only to lend to a foreign country, but to give it money? There is nothing in the Constitution whereby we would be permitted to set up our country as a bank concerned with lending money to foreign countries. But what is proposed is not even a loan, it is a gift, because by the terms of the joint resolution the British can keep it.

Mr. WALSH. It is difficult enough for us to have to tax our people, through the taxing system, when we appropriate money to be used for the promotion of the general welfare of this country, but it is much different for us to tax our people for the benefit, and use, and rehabilitation of some other country. I cannot see how we can do it in times of peace. In time of war we might be justified in doing it in order to have assistance and support given to our war effort, but it seems to me it is a very dangerous precedent.

I should like to call the attention of the Senator from Nebraska and the Senator from Maine to the fact that no one yet knows to what destructive ends the Reciprocal Trade Act may lead, because since the agreement was made with Great Britain in 1939 there has been no way of determining how far and to what extent British exports might have come to this country. Since 1939 Great Britain has been prostrate, her industries were converted to war purposes, there were no facilities for transporting goods. It is now a very different situation, in view of the fact that we do not know how the present agreement will work out, and because there is a possibility, and a probability, as the Senator indicates, that in the next few months there will be further reductions made and a further opportunity to turn our domestic markets over to foreign countries.

Mr. WHEELER. It is provided for in the agreement with Great Britain. I shall call attention to the British statements on this subject in a very few moments.

Mr. CAPEHART. Mr. President, will the Senator from Montana yield further?

Mr. WHEELER. I yield.

Mr. CAPEHART. Further in line with what we were discussing a moment ago, I do not think I would object to extending the period of the billion-and-a-half-dollar loan I have recommended over a period of 10 years. I do not know that I would object if we raised the amount to \$2,000,000,000, or two and a half billion, over a period of 10 years, if it is done on the basis of a normal business transaction, where the total value of the loan, as I stated before, inures to the benefit of our own producers and manufacturers.

Mr. President, I am anxious to help England, as I think every other Senator is, but I am opposed to giving any nation which is a competitor of ours \$3,750,000,000 to use as they see fit. I am perfectly willing to sell them merchandise they may need, over a period of 10 years, if necessary, and lend them the money with which to buy, because that is a normal business transaction.

Mr. WHERRY. Mr. President, will the Senator from Montana further yield?

Mr. WHEELER. I yield.

Mr. WHERRY. I should very much like if the Senator from Montana would permit me to have printed in the RECORD an open letter to the President of the United States from the national president of the American Watch Workers' Union, of Boston, Mass. The letter was written on April 6. I know the Senator is well aware of it.

Mr. WALSH. I am very much pleased to have the Senator put the letter in the RECORD. I had intended to do so myself. Not only that letter, but other letters along the same line, have been printed. The watch industry in my State is prostrate.

Mr. WHERRY. Certainly.

Mr. WALSH. In my opinion, the same fate will befall other industries if we are to permit this flood of imports.

Mr. WHERRY. If the distinguished Senator from Montana will yield further, I should like to read a paragraph or two of a letter, so that it will be brought to the attention of Senators not now on the floor when they read the RECORD. The national president of the American Watch Workers' Union protests because the workers were transferred from their regular work to war industries, and now when they are going back, this is what he says:

In the 15 years prior to the war, Mr. President, 34,000,000 watches were imported into the United States, or an average of 2,100,000 per year. The high year was 1941 when more than 4,000,000 watches were imported. Contrast this with the 28,000,000 watches which have been dumped into the United States since Pearl Harbor.

Think of the dumping that has occurred already. Think what will happen if we reduce the schedules further, or enter into the agreement now proposed to be made in June. We give over the domestic market, in this one instance of the watchworkers, to those making watches abroad under the standards in those countries, compared with the conditions here.

Mr. WALSH. And those workers, who went to serve our country, and fight, some of them to die, who were willing to give



up their privileges for the purpose of preparing war materials, are now left without any work or jobs to which to return.

Mr. WHERRY. Let me read just another paragraph of this letter:

Under Secretary of State Acheson informed the domestic manufacturers that the State Department had tried to obtain agreement to a quota of 3,000,000 watches, but the Swiss had refused to agree; also, that the State Department had tried to negotiate a revised quota of 5,000,000 and the answer of the Swiss was still "no." Mr. Acheson stated that the State Department had no course except to negotiate the best agreement possible, and insisted that he had no right to deprive the Swiss of the United States market if they chose to participate in this market.

Just think of that. The letter continues:

Mr. President, you made a pledge as President of the United States when you urged the extension of the Reciprocal Trade Act in 1945. You pledged that no American worker, no American industry would be hurt because of the extension of the reciprocal trade act which you urged the Congress to pass. Mr. President, as the representative of the American watch workers, who are small in number, whose national union does not belong to the CIO or the AFL, who are but a voice crying in the wilderness—I now call upon you to redeem that pledge.

The American jeweled-watch industry has been hurt. The American watch worker has been hurt.

Here is the point I wish to emphasize:

Dean Acheson told the American watch manufacturers that the Swiss agreed that when the American domestic manufacturers could not find a ready market for their product, they would again sit down to discuss the question. Mr. President, what Dean Acheson says, in effect, is that when the market is so saturated that the salesman for the American jeweled watch companies, of which there are only three—Elgin, Hamilton, and Waltham—can no longer sell their watches, the Swiss would then agree to sit down and discuss the subject.

Mr. President, I ask unanimous consent that the entire letter may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 6, 1946.

The Honorable HARRY S. TRUMAN,  
President of the United States,  
The White House,  
Washington, D. C.

MY DEAR MR. PRESIDENT: I take the privilege of writing you this letter, because as a representative of 6,000 American watch workers, I find no other alternative left to seek relief except to write to you directly.

For five long years the American watch worker has been out of the American domestic market because the United States Government and its allies needed the production of these American workers to produce timing mechanisms for war. Switzerland, with 60,000 watch workers, the only other source in the world of timing mechanisms, supplied the Axis with the timing mechanisms essential to carrying on their battle against the Allies. More than 90 timing mechanism plants were found in Germany after its defeat, all of which were equipped with watchmaking machinery obtained from Switzerland.

Mr. President, because our Government needed the production of the American watch worker, our Government called upon

these workers to labor long hours so that the Allies might have the vital mechanisms to time the attack.

The record of production of the American jeweled watch industry is second to none in the production of armaments in this country. While the American watch workers were at war, and were receiving letters of commendation from the War Production Board and urgent appeals by the Army and Navy to produce more, this same Government of ours, through the State Department, allowed Swiss watches to flood the United States.

In the 15 years prior to the war, Mr. President, 34,000,000 watches were imported into the United States, or an average of 2,100,000 per year. The high year was 1941, when more than 4,000,000 watches were imported. Contrast this with the 28,000,000 watches which have been dumped into the United States since Pearl Harbor.

The American public could obtain hardly any item other than the necessities of life during the war, except Swiss watches. The American watch worker, Mr. President, is in the same position as the American boy who was across fighting for his country and when he returned home found that his sweetheart had married someone else. The American watch worker has now returned to civilian production.

In 1941, 8,200 persons were employed in the production of jeweled watches in the United States; today, fewer than 6,000 watch workers are employed. The industry has no prospect for the future. They have not the will to expand—they are afraid of the future. The manufacturers have been to Washington. They have pleaded for relief from these excessive imports. In 1945, more than 9,200,000 watches were imported into the United States. In October 1945, more than 2,100,000 watches were imported. In January of 1946, 887,000 were imported, and in February 1946 more than 900,000.

The American watch workers' representatives were greatly heartened last November 29 when Under Secretary of State Dean Acheson assured us that we would be protected for the future. The State Department on that day issued a press release saying that it had presented the Government of Switzerland a note in which protection was demanded for the American jeweled watch industry.

Mr. President, in that note to Switzerland a quota of 3,000,000 was sought for the period from December 1, 1945, to January 1, 1947. At that time we thought 3,000,000 was too high because of the excessive imports which were allowed during the previous 4 years. After all, there are only 130,000,000 people in the United States. Each can wear only one watch.

The only watches that our boys in the service could buy at the post exchanges were Swiss watches. American watches were not available at these post exchanges because the entire production of American jeweled watch factories was being used by our Government and its Allies for military use.

These Swiss watch importers, who numbered 50 in 1941, now number 500. They made excessive profits during the war selling the only item which was available to the American public, and they immediately protested the action of the State Department. These same importers sent telegrams to every jeweler in the United States. They appealed to the basic selfishness of some of these jewelers who could make from 80 to 125 percent profit on every Swiss watch they sell. These same jewelers maintained their enterprises intact during the war while the retailer who sold automobiles, refrigerators, electrical appliances, and many other items which were available before the war, had no products to sell. They had to close their doors.

Not so the American jeweler, whose average sales were 7,500,000 watches per year during the war, whereas from 1926 to 1941 he had sold an average of 3,475,000 watches per year, with a low of 898,000 for 1932 and a high of 5,139,000 for 1929.

Mr. President, many retail jewelers flooded Congress with letters asking that Swiss watches be allowed to come into this country. These 500 Swiss watch importers beat the tom-tom with their salesmen and were able to arouse some of the American jewelers into protesting the first constructive action taken by the State Department for our American industry in 14 long years.

These jewelers disregarded the fact that the American jeweled watch industry is essential to national defense, and, together with the Swiss watch importer, marched arm in arm to deprive American watch workers of their future employment. The State Department was flooded with protests, and the protests were led by a Democratic Congressman from New York, Representative EMANUEL CELLER, whose law firm represents the Benrus Watch Co., one of the largest Swiss watch importers in the United States.

In February of this year the State Department informed the American jeweled watch manufacturer that it was increasing its 3,000,000 quota to 5,000,000. The industry protested to no avail. Negotiations continued between Switzerland and the United States.

Mr. President, on Wednesday, April 3, 1946, we were informed that an agreement had been reached with the Swiss which would allow them to import into the United States as many watches in 1946 as they imported into the United States in 1945—an all-time high.

The American watch manufacturers were able to obtain a conference with Under Secretary of State Dean Acheson at noon-time, April 4, through the courtesy of Representative JOHN W. McCORMACK, the House majority leader.

Under Secretary of State Acheson informed the domestic manufacturers that the State Department had tried to obtain agreement to a quota of 3,000,000 watches, but the Swiss had refused to agree; also, that the State Department had tried to negotiate a revised quota of 5,000,000 and the answer of the Swiss was still "no." Mr. Acheson stated that the State Department had no course except to negotiate the best agreement possible, and insisted that he had no right to deprive the Swiss of the United States market if they chose to participate in this market.

Mr. President, you made a pledge as President of the United States when you urged the extension of the Reciprocal Trade Act in 1945. You pledged that no American worker, no American industry would be hurt because of the extension of the Reciprocal Trade Act which you urged the Congress to pass. Mr. President, as the representative of the American watch workers, who are small in number, whose national union does not belong to the CIO or the AFL, who are but a voice crying in the wilderness—I now call upon you to redeem that pledge.

The American jeweled watch industry has been hurt. The American watch worker has been hurt.

Dean Acheson told the American watch manufacturers that the Swiss agreed that when the American domestic manufacturers could not find a ready market for their product, they would again sit down to discuss the question. Mr. President, what Dean Acheson says, in effect, is that when the market is so saturated that the salesman for the American jeweled watch companies, of which there are only three—Elgin, Hamilton, and Waltham—can no longer sell their watches, the Swiss would then agree to sit down and discuss the subject.

When that time is reached, Mr. President, it will be too late for action, for then the

workers will have been laid off and the industry will perish. The American watch manufacturers will have become Swiss watch importers, and the United States will have lost an industry which is vitally essential to national defense. The American watch workers will have to look for jobs in other industries to utilize their skills. Switzerland, if the program of the State Department is carried out, will have accomplished its purpose, and will be the world's only producer of jeweled watches.

Ch, I know that the State Department says: "Prove you are hurt." In 1941 there were 8,200 employees in this industry; today there are fewer than 6,000. Since 1941, 28,000,000 watches of Swiss origin have been sold in the United States and the American domestic manufacturer had no opportunity to compete in this market.

Mr. President, the American domestic manufacturers, as domestic manufacturers, naturally will not be able to compete under the program worked out by the State Department. They can and will become importers and will join the other 500 importers in the distribution of Swiss watches. Where, over a 20-year-period, these domestic manufacturers averaged \$1 per watch, on their imports they will average \$10 per watch. As a matter of good, common business sense, they would make more profits as importers than they have made as domestic manufacturers, but because these men have a pride in their factories, pride in their product, they have taken the long, hard road of producing watches domestically. They now are ready to throw in the sponge.

On the other hand, the American watch worker must change over to other industries. Job opportunities in the American jeweled-watch industry will be lost to them forever. If you do not keep your pledge to them, the United States Government will have broken faith with these 6,000 citizens.

Mr. President, if the American jeweled-watch industry is allowed to perish, the skills of the American watch worker will have been lost forever to the national defense of the United States. While the American watch worker will utilize his skills in other industries, the employees of other industries cannot do the work required in the precision-jeweled-watch field. The Army and Navy should recognize their responsibility in this matter and urge you to exercise your powers so that these skills will be preserved for the United States.

After all, the consumer does not benefit through these Swiss watch imports. He doesn't obtain as good a watch for his money. The only beneficiaries are the Swiss watch importer and the jeweler who distributes them. Both make more profit handling Swiss watches than they do American watches.

In desperation, Mr. President, I urge you to stop these Swiss watch imports. I urge that you protect the American jeweled-watch industry and the job opportunities of its employees. I urge that you keep your pledge to the people that no American worker and no American industry will be hurt by the extension of the Reciprocal Trade Act.

Mr. President, you are our last resort. Congress has given you the authority. To wait for the new Congress to act will be too late. The industry will have been destroyed. The responsibility is now yours. We await your action.

Respectfully yours,

WALTER W. CENERAZZO,  
National President, the American  
Watch Workers' Union.

BOSTON, MASS.

Mr. WHERRY. Mr. President, I submit that what I have just read presents an outstanding example of what the Senator from Montana has so forcefully brought to the attention of the Senate,

and which has been concurred in by the distinguished Senator from Massachusetts; that if we are to proceed on the theory that we need export trade, unless that trade is paid for in money, it will be paid for, indirectly at least, by imports, and if the imports contain items which are among the 1,000 respecting which we negotiated the agreement, especially textile, shoes, and watches, as well as many other items, they will come into direct competition with American labor, and we will have to reduce our standards in this country.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CAPEHART. I think it is correct to say that almost everyone who has spoken in favor of the British loan measure as it is written has admitted that the loan was not a good business loan, and that it should not be made upon the basis of a business loan. They have admitted that they are supporting the loan for evangelistic or sentimental reasons. Others have stated in substance, not in so many words, or at least have left the impression with me, that they were afraid to vote against the loan for fear of what might happen. I wonder if the able Senator from Montana has any information with respect to what might happen, or has he been able to read the minds of those who take that position as to what they think might happen? What is this mysterious thing of which they are afraid if they do not go along with the loan proposal as written?

Mr. WHEELER. I stated at the very beginning of my speech that the loan would not have a chance of passing the Senate of the United States were it not for the fact that the propaganda which has been put out has instilled into the minds of many that unless the loan is made the British Empire may collapse and that Russia will take over, and that we are making the loan in order to build up England so that she may stand up against Russia. At the same time many of those who are advocating the loan in order that England may stand up against Russia are also advocating a loan to Russia which makes their position wholly inconsistent. That, however, is the propaganda which is being broadcast.

I may state to the Senator from Indiana that a very high Government official, whom I told the people of Montana were unalterably and overwhelmingly opposed to the loan, stated to me very plainly, "If we do not make the loan, then the British Empire will probably fall and Russia will take over." I do not for one moment want that to happen. But I do not agree that a \$4,000,000,000 loan to Great Britain is alone going to save the British Government from the clutches of Russia, as some advocates of the loan say it will. If we are making the loan on that basis, then at the end of two more years the British may come back and say, "We are still afraid that Russia will take us over, and we must have \$4,000,000,000 more." Then we will be committed to a policy of underwriting the British Empire constantly. That does not make good sense.

Mr. CAPEHART. Then the mysterious something is that some people are afraid that Russia will take England over, and that if we loan England \$3,375,000,000 we will save England.

Mr. WHEELER. Yes.

Mr. CAPEHART. And that therefore we are siding with England against Russia.

Mr. WHEELER. Yes. On the other hand, as has been pointed out, there are some who want to make a loan to Russia, who say, "Of course, if this loan is made to England, then we will have to make a loan to Russia on the same basis." The Senator and I, as practical men, know that if we make this loan to Britain we will have to make a loan—at least that is my judgment—to Russia, and we will have to make it on the same terms, and if we do not do so we will immediately be accused of siding with England against Russia.

When we were considering the subject of the United Nations—and I supported the United Nations, although I said at the time that I was fearful the organization would not work because of what is happening in Europe at the present time and because of the attitude taken by Russia—we were told that the establishment of the United Nations would take care of everything. Now it is said, "We must make this loan." Instead of depending upon the United Nations to save the world, to preserve the peace, and to maintain the "four freedoms," now it is said, "We have to make this loan in order that Great Britain may be able to stand up against Russia." Those who make that statement obviously admit that the United Nations is already a failure.

If we turn to the British white paper—and I call particular attention to this—the official explanation and interpretation of the loan agreement, to discover the terms under which the British expect to be able to reduce the huge deficit in their balance of payments, which continued to mount, we find that the British Government anticipates a continuing deficit up to the year 1950 of an amount almost double the suggested figure of this loan.

According to the white paper:

On the basis of a \$3,000,000,000 deficit in 1946, it would not be safe to base policy on the assumption of a further deficit of less than \$2,000,000,000 to provide for the 2 years 1947 and 1948 taken together and for some more modest deficiency in 1949 and 1950 before the attainment of stable equilibrium.

This leaves us with a cumulative deficit which may well be \$5,000,000,000, or even higher. It must be emphasized once again that these estimates are very precarious. They are fully as optimistic as any prudent person would adopt as the basis of a decision, in view of the extreme uncertainty of the conditions which will prevail in Europe and elsewhere in the years immediately ahead of us.

Mr. President, even this anticipated minimum deficit can only be achieved by increasing the British volume of exports by nearly 75 percent over their prewar level, which is almost six times their 1944 level. According to the white paper:

It may be, therefore, that the full restoration of a reliable equilibrium, which can persist without measures of restriction—



Mind you, the white paper says "without measures of restriction"—

or the other defensive mechanisms of the type with which it is hoped to dispense, may require a volume of exports nearer 75 percent than 50 percent in excess of the prewar level.

That, Mr. President, is not an American speaking. That is the British white paper. I repeat what it said:

It may be, therefore, that the full restoration of a reliable equilibrium, which can persist without measures of restriction or the other defensive mechanisms of the type with which it is hoped to dispense, may require a volume of exports nearer 75 percent than 50 percent in excess of the prewar level.

As I pointed out before, this is in volume, and not in terms of money.

And even this estimate, Mr. President, is based on the assumption of an increase of 100 percent in both export and import prices compared with the 1936-38 level.

In addition to these deficits Britain has an estimated annual expense by reason of her occupation of part of Germany of \$1,200,000,000. At the end of 3 years, at this rate, with her continuing deficit in her balance of payments, she will have to come back to the United States for another grant-in-aid to maintain her German occupation alone.

We ought also to call to mind a statement in the London Economist of last September to the effect that Britain did not need this loan except to finance her armies of occupation all around the world. Mr. Rhys Davies, Member of Parliament, recently stated in the House of Commons that Britain's plan for a peacetime army of 2,000,000 men and a large navy and air force will eat up the amount of this British loan annually.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. The current military expense of the United Kingdom this year is \$4,500,000,000.

Mr. WHEELER. Yes.

Mr. JOHNSON of Colorado. And of course, if she maintains an army of 2,000,000 men and her large navy and air forces her military expense cannot drop very much below \$4,000,000,000.

Mr. WHEELER. That is exactly what Mr. Davies said.

On March 4, 1946, Mr. Davies stated in the House of Commons concerning the British white paper plan for standing postwar armies:

I now pass to the question of costs. I am surprised at the glib way in which honorable members talk about these 2,000,000 men and the cost of their upkeep. Has it occurred to them, I wonder, that we are spending on these forces referred to in the white paper more than the total sum we are about to borrow from America? It is twice as much as the total sum we intend to spend on the social services, including education, housing, unemployment insurance, health insurance, and pensions.

In other words, Mr. President, the basis of our present international policy agreed upon at Teheran, Yalta, and Potsdam is forcing us to finance not only our own armies of occupation around the world, but Britain's as well.

In the light of these facts, all the concessions to American interests which are

claimed by Mr. Acheson become the sheerest fantasies. According to Mr. Acheson, Great Britain promises, first, "not to restrict payments to Americans for goods imported into England or for other current transactions." What kind of a concession is this, Mr. President, which permits American businessmen to be paid in dollars for the goods they export in England?

Even this concession, as stated by Mr. Acheson, is misleading. For instance, no such agreement is applicable to the \$650,000,000 settlement for lend-lease which the British have agreed to repay in occasional \$50,000,000 installments. But, rather, whenever before December 31, 1951, we demand a payment we will notify the British, who will transfer to us pounds sterling. This is what we have agreed to do with these installments:

The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or to construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States and for carrying out educational programs in accordance with agreements to be concluded between the two Governments.

In other words, we agree to spend the \$650,000,000 for which we are settling in buying land or erecting buildings in the British Empire.

The second concession Great Britain has made, according to Mr. Acheson, is that within a year Great Britain agrees to make arrangements for the free interchange of pounds sterling and dollars in countries whose principal international currency is the British pound. But I submit, Mr. President, that in the text of the trade agreement between the United States and the United Kingdom, of November 17, 1938, we find the following statement, in article 4, paragraph 2:

No prohibition or restriction shall be imposed or maintained on the exportation of any article from the territories of either high-contracting party to the territories of the other, to which the exportation of the like article to any other foreign country is not similarly subject.

This is what they agreed to back in 1938, if I interpret the language correctly.

The British further agree that within a year they will apply the same rule to transactions with all countries. Yet, in the publication Planning, issued by the Political and Economical Planning Association in London, on January 4, 1946, the following observation is found. I may say that the Political and Economical Planning Association represents the British Government organization similar to our own planning organization. I read:

Multilateral release of the balances (sterling) represents a major concession to the United States. This is a most drastic departure from the Bretton Woods agreement, which allows a "breathing space" of 5 years before such restrictions are to be removed. It represents the surrender of the most effective means of protecting our balance of payments at a time when that balance will still be in a state of acute disequilibrium.

However, two important protective provisions of the Bretton Woods plan still apply

to us: First, the right of any member country, subject to authorization by the International Monetary Fund, to introduce discriminatory exchange restrictions against a currency which becomes "scarce"; second, the right, in any circumstances, to maintain the necessary controls to regulate international capital movements; the latter will be of first importance in preventing flights of "hot" money for political or other reasons.

Even Lord Keynes himself admitted that they were committed to reduce the dollar pool with or without the loan. In other words, no additional concession is being made.

Lord Keynes stated during the debate in the House of Commons:

This arrangement is only of secondary use to us, save in the exceptional wartime conditions when those countries were, very abnormally, in a position to lend to us. We cannot force these countries to buy only from us, especially when we are physically unable to supply a large quantity of what they require. It seems to me a crazy idea that we can go on living after 1947 by borrowing on completely vague terms from India and the Crown Colonies.

In other words, he again says that the concession they made does not mean anything, because they could not keep those countries from buying from some other country when they themselves could not produce the goods.

Mr. Acheson also claims that the United Kingdom promised that after the end of 1 year it would not discriminate against this country in the administration of its quotas upon the quantity of imports. Yet, in the same issue of Planning to which I have already referred, the following statement was made:

The right to maintain quantitative import restrictions under clause 9 of the Financial Agreement must be regarded as a concession on the part of our creditor.

Who is the creditor? The United States. Mr. Acheson says that we are getting a great concession, but the English publication Planning says that it is a concession on the part of the creditor.

Retention of a system of import licensing is indeed essential if we are to avoid squandering the American loan in an orgy of reckless importing which might well more than offset any success in our export effort. It is important, however, to explain to American opinion why we set such store by continued austerity in imports. We are not reverting to prewar restrictionism. The plain fact is that, until we can pay in goods and services for our current imports, we cannot start repaying our overseas debts. It is no more than the prudent action of the good debtor to restrict his purchases until he is out of debt.

So instead of being a concession by Great Britain to this country, the publication Planning says that it is a concession to England.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Austin	Hatch	Pepper
Ball	Hawkes	Radcliffe
Bankhead	Hayden	Reed
Barkley	Hickenlooper	Revercomb
Brewster	Hill	Robertson
Briggs	Hoey	Russell
Brooks	Huffman	Saltonstall
Bushfield	Johnson, Colo.	Shipstead
Butler	Johnston, S. C.	Smith
Byrd	Langer	Stewart
Capehart	Lucas	Taft
Capper	McFarland	Taylor
Carville	McMahon	Tunnell
Cordon	Magnuson	Tydings
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Eastland	Millikin	Wheeler
Ellender	Mitchell	Wherry
Ferguson	Moore	Wiley
Fulbright	Morse	Willis
Gerry	Murray	Wilson
Green	Myers	Young
Gurney	O'Daniel	

The ACTING PRESIDENT pro tempore. Seventy-one Senators have answered to their names. A quorum is present.

The Senator from Montana has the floor.

Mr. BARKLEY. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. In view of the fact that many Senators have asked whether the Senate will be in session tomorrow, I wish to announce that when we conclude the business of the Senate today I shall move to recess until tomorrow.

Mr. WHEELER. Mr. President, Mr. Acheson also claims that the United Kingdom promised that after the end of 1 year it would not discriminate against this country in the administration of its quotas upon the quantity of imports. Yet, in the same issue of Planning to which I have already referred, the following statement was made:

The right to maintain quantitative import restrictions under clause 9 of the Financial Agreement must be regarded as a concession on the part of our creditor. Retention of a system of import licensing is indeed essential if we are to avoid squandering the American loan in an orgy of reckless importing which might well more than offset any success in our export effort. It is important, however, to explain to American opinion why we set such store by continued austerity in imports. We are not reverting to prewar restrictionism. The plain fact is that, until we can pay in goods and services for our current imports, we cannot start repaying our overseas debts. It is no more than the prudent action of the good debtor to restrict his purchases until he is out of debt.

So, Mr. President, instead of a concession being made by Great Britain, a concession is made to her.

Even Mr. Attlee, the Prime Minister of Great Britain, stated in the House of Commons that this legislation recognized the fundamental facts that:

It is essential to clear the obstacles to our exports of manufactured goods without abandoning the right to control our imports, so long as this is essential to our balance of international trade.

According to Mr. Acheson the British have agreed to support the American proposal to reduce and eventually eliminate the imperial preference system.

Mr. Attlee interpreted this concession in its true light when he said:

It is recognized that reduction or elimination of preferences can only be considered in relation to and in return for reduction of tariffs and other barriers to world trade in general.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TAFT. I do not know whether the Senator saw the quotation which was referred to yesterday by the Senator from Nebraska. A British questionnaire which was sent to all British manufacturers and businessmen engaged in trade and commerce contained the following questions:

(1) What margin of preference is regarded as being of the highest importance to the United Kingdom industries; (2) which are regarded as being of some importance; (3) which are regarded as being of little importance.

Evidently Great Britain is trying to find out what she may concede as of little importance to the British Empire. Therefore, I believe that the agreement to change imperial preferences is not to be very seriously undertaken by the British. Of course, there is nothing definite in the agreement about the matter in any way.

Mr. WHEELER. No; Great Britain merely agrees that she will talk about it.

Mr. TAFT. Yes.

Mr. WHEELER. But, Mr. President, this propaganda is being distributed throughout the United States, and we are told that the great concession which Great Britain is making to American businessmen is in the reduction of preferences. However, that is not a correct statement of the fact, and the propaganda is misleading. It is misleading to the American businessmen and to the American people.

Mr. Attlee very clearly says—I repeat his statement:

It is recognized that reduction or elimination of preferences can only be considered in relation to, and in return for, reduction of tariffs and other barriers to world trade in general.

As for the promise to abolish the imperial trade policy system, Mr. Churchill during the debate on this loan made the following grim observation in the House of Commons:

At my first meeting with President Roosevelt at Argentina in 1941, I was very careful that the terms of the Atlantic Charter in no way prejudiced our rights to maintain the system of imperial preference. Those were not easy days. The United States was neutral. It was very hard to see how the war could be won, but even then I insisted upon that. Similarly when it came to the mutual-aid agreement, I received from President Roosevelt the explicit assurances which have since been published that we were no more committed by article 7 to abandoning imperial preference than was the United States to abolish her tariffs. What we are committed to, and have been long committed to, in good faith and in good will, is to discuss both these matters.

All they are called upon to do is to discuss these matters, and unless the United States agrees to lower her tar-

iffs, then the British are in nowise committed to reduce their tariffs. Mr. Churchill says it goes even further than our reducing our tariffs. He stated:

It is, therefore, in my view, quite untrue to say that we are at this time being committed by the Government to any abandonment of imperial preference and still less its elimination. Of course, if we find ourselves in the presence of proposals to effect a vast, sweeping reduction of tariffs and trade barriers and restrictions all over the world of a character to give a great exporting power to this island and to British shipping, which is a vital element in the services we render to other countries and a vital feature in our means of earning our daily bread, if we are faced with that, then, undoubtedly, we should be confronted with a new situation to which we should have to do justice.

I make no concealment of my personal view that if all this came to pass the vision before mankind to be would be brighter than we imagine. I do not see any probability of such a point being reached. It is more likely, on the other hand, that tariffs and trade restrictions of all kinds, even though reduced, will still be maintained at levels which severely hamper progress toward the ideal of the free interchange for mutual advantage of goods and services throughout the world. In that case, no one could in good faith demand of us to forego the immense moral and material advantages which have flowed to us by the special development and fostering of interimperial trade.

So, Mr. President, Mr. Churchill says that unless they are confronted with world-wide free trade they are in no way committed. Not only that, but in their direst hour, when they were afraid of losing the war, he made the positive statement to President Roosevelt that they would not give up their trade preferences, and the President told him they were no more committed to doing so than we were to lowering our tariffs. So they are committed only to discuss these matters. Yet the American people are being told from one end of the country to the other of the great benefits which are to flow from the joint resolution; that trade preferences are to be removed, and that everything will be well with the country as a whole.

Mr. ELLENDER. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. ELLENDER. I tried to argue yesterday and the day before that, insofar as the trade preferences are concerned, they are more or less a thing of the past. As the Senator knows, Canada is now going out for herself, and it is my humble opinion that Canada will become one of the chief competitors of Great Britain in South America.

During the war Canada developed tremendously industrially, and she is now in a position where she does not have to buy many goods from Great Britain, but, on the contrary, she is going to have many herself to sell. The same applies to Australia. So, it strikes me that the argument about imperial preference is a mere whistle in the dark. I cannot see how Great Britain can expect her colonies to give her the advantages which were hers in the past. Does not the Senator feel that way?



Mr. WHEELER. Yes. To the extent that Great Britain can do it with her colonies, she will do it, because British exports to the continent of Europe are going to be reduced tremendously. As I have pointed out, England exported largely to Poland, the Balkans, the Baltic States, and also to Germany. With the closed economy which has come about because Russia has taken over control, England will lose out to the extent that those countries are closed to her exports. I do not at all blame England for keeping her trade preferences, much as I dislike the practice.

What will imports from England do to those engaged in the textile industry, the watch industry, and thousands of other workers in this country, if our tariffs are reduced to such a point that, with the cheap labor of England and of European manufacturers, England can ship anything into our country? It will put our workers on a lower standard of living.

Mr. ELLENDER. The point I was going to make was that exports and imports are really a two-way street.

Mr. WHEELER. The Senator is correct.

Mr. ELLENDER. One country will not trade with another unless both can get something. If Canada is able to dispose of much of her exports, and by doing so can get raw materials in exchange, and thereby increase her export trade, does not the Senator think Canada will be prone to do that, rather than deal with the mother country?

Mr. WHEELER. Certainly.

Mr. ELLENDER. That is why, then, that, so far as I am concerned, in spite of all the arguments which have been made by Churchill, Attlee, and others about the imperial preferences, I cannot see that they are going to be of great advantage to the British in the future.

Mr. WHEELER. They will be of advantage to them if they can keep them in vogue, but I agree with the Senator that it is very doubtful that they can keep them, particularly with some of the colonies.

There is one other vital factor in this economic equation which made these British concessions a contradiction in terms. England has a Socialist government. I do not want anyone to misinterpret what I am saying, because I think the present Government of Great Britain, the Socialist government, will do far more for the working classes of that country than was accomplished under the previous government. Anyone who has visited England in the past few years, and who has seen the economic conditions and the living standards of the workers in the coal mines and the general factories of England, knows they have been very far below the standard of living of the workers of this country.

The Government has already taken over the Bank of England and the coal mines, and is now proceeding with legislation to take over the transportation, power, and communications systems. An integral part of this nationalization program is the so-called Beveridge plan, which provides for social and economic security from the cradle to the grave. This plan cannot be put into effect with-

out establishing the most extensive regimentation of industry, business, and labor as well. This type of a planned economy cannot stop at the English Channel. The trade which flows into Britain from without, as well as the exports which flow into the British Empire, will be compelled to come under the supervision and control of the British Government. And I submit, Mr. President, that a planned imperial economy and planned foreign trade make these alleged concessions of the British a mockery.

There is no questioning the fact, Britain desperately needs aid to help her through this transitional period, but again the question America must answer is how this legislation will safeguard America's interest and security.

We are told—indeed, we are solemnly assured—that by making this grant to Britain we are hastening the transition of the economies of the world from a wartime basis to a high production and high consumption world economy. Mr. Acheson recently stated that:

The pound sterling and the dollar: these are the two great currencies in which international business is transacted. In 1938 over one-half of the world's foreign trade was carried on in pounds or dollars. With the war over and Germany and Japan pretty well out of the picture the figure will be still higher, perhaps as high as 70 percent. In other words, by far the greater part of all the world's foreign commerce is paid for in pounds or dollars. If these two currencies are freely interchangeable at a stable rate, businessmen all over the world can start up their factories, employ workers, produce goods and buy and sell nearly everywhere—confident that the purchase price will be paid in money which they can use anywhere.

With the conditions which prevail throughout Europe today, how can anyone say that the exports of England can increase 70 percent, when her people do not have anything with which to buy goods?

But in order to achieve this, Mr. President, Mr. Acheson tucked away the following prerequisite at the end of his speech:

The hope for both of us is to expand prosperity and trade around the world and, to do that, special deals that discriminate against third countries must be eliminated.

Does Mr. Acheson for one moment think that the special deals entered into by Russia are going to be eliminated? We have heard a great deal on the floor of the Senate about isolationists. We have heard such talk on the part of liberals, we have heard it on the part of conservatives, and we have heard it on the part of Communists. Which is the greatest isolationist country in the world today? Of course there is only one great isolationist country in the world, and that is Russia, which is completely isolated in every respect from the rest of the world.

The tragic truth is, Mr. President, that all of the international plans and conferences that have been drawn up or are anticipated in the future were premised on the kind of a world that no longer exists in reality. They were premised on Russian participation, on the basis of a genuine international cooperation in all

financial, economic, social, political, and military problems of the postwar era; on the assumption that the countries which have now fallen into the Russian orbit would be willing and able to participate as independent and sovereign nations; on a theory of international trade, which Russia has now repudiated by erecting an iron curtain on a state-controlled, closed-door trade monopoly around half the world; and on the anticipation of a new flow of private investment and capital into channels through which stable elements of the liberated countries would be able to rebuild those nations on the basis of the free enterprise system.

Mr. Stalin is a realist, we have been told, and he does not permit his hopes to carry him away, as the hopes of some of the internationalists of this country have carried them away.

Of one thing we can be certain, namely, if the present world forces continue to move in the direction they are going, and if the pattern of peace—which has already been traced across the world—crystallizes into a new status quo, America shall find herself the inescapable victim of one of the most stupid political blunders in all history.

It is at this point that I again want earnestly to assert that those proponents of this legislation who continue to support American foreign policy on the basis of the Yalta and Potsdam decisions, and who, at the same time, claim this gift to Great Britain will in any way serve to strengthen the security of either Great Britain or the United States, are either lacking in foresight or are trying to fool the people of the United States.

The grim facts of the international realities with which we are now confronted point unanimously to a wholly different conclusion. We are no longer living in one world. By the tragic decisions reached in the conferences of the Big Three we have carved the world in two and left Russia in control of the Eurasian Continent—from Berlin to Port Arthur. Russia's action since the end of the war cannot possibly be interpreted in any other way than as a deliberate and determined effort to consolidate and extend her own empire at the expense of the smaller nations on her borders.

It is merely a statement of simple facts to assert that politically this means we have been parties to the destruction of the whole system of sovereign and independent nation states upon which all of our international law of the past 400 years has been founded.

The full significance of this revolutionary development has been successfully concealed behind political catchwords and expediency of propaganda in recent years. It has been the fashion to wave the banner of a pathological internationalism in order to postpone a day of reckoning while all those who challenged its pretension in the name of America's interest and security were slandered and reviled.

Mr. President, I am not one who wants to go back to the old reactionary governments in Europe controlled by the exploiters of the poor. I want to see liberal democratic governments set up. But

now, Mr. President, the war has been over for a year. The new status quo is rapidly taking shape. I submit that in the bleak dawn of this era we rediscovered once again the fact that the need for human decency, the need for food, clothing, and shelter and medicine, the need for a standard of living based on economic as well as political freedom have not vanished or become outmoded.

On February 8, 1946, the House Special Committee on Postwar Economic Policy and Planning issued the following statement:

A new type of Soviet control joining economic and political advantages is emerging which makes a substantial extension of multilateral trading with those countries impossible.

The economic agreement reached between Rumania and Russia which was signed on May 8, 1945, furnishes us the pattern of Russian economic expansion over half the earth. Mr. Constantine Brown, of the Washington Star, recently summarized the significance of this agreement by stating:

The Rumanian economic agreement provides for the formation of Soviet-Rumanian syndicates for the exploitation and development of all the resources of that country. It is, in fact, a most stringent monopolistic agreement, aimed at the exclusion of all other foreign interests.

The most important clause of the economic agreement, as far as the outside world is concerned, is not only that the arrangements exclude any third power from doing business in Rumania but also provide that Rumania must purchase whatever she needs in Russia. In the event Russia is not able to deliver certain tools or manufactured products, Rumania must purchase them abroad through the Union of Soviet Socialist Republics, which through the banking syndicate will maintain complete control over the Rumanian currency and banking system. Thus, Rumania henceforth will be prevented from transacting any business deals with the capitalistic countries. It will be Moscow which will act as an intermediary in all such cases.

Is it any wonder then that Mr. Churchill said:

It is more likely, on the one hand, that tariffs and trade restrictions of all kinds will still be maintained at levels which severely hamper progress? In that case, no one in good faith can demand of us that we forego the immense moral and material advantages which have flowed to us by the special development and fostering of interimperial trade.

Mr. President, frankly, unless we reduce our tariffs to the point where it will materially lower our standards of living, then of course in my judgment Great Britain, if she is going to survive, will have to retain the imperial preference.

With the situation as it exists, Britain is not obliged to and of course will not change unless—as Mr. Churchill says:

We find ourselves in the presence of proposals to effect a vast, sweeping reduction of tariffs and trade barriers and restrictions all over the world of a character to give a great exporting power to this island and to British shipping.

And on April 15, 1946, Mr. John Chabot Smith wrote to the New York Herald Tribune from London that:

Great Britain is preparing for the forthcoming international trade conference on

the assumption that the Soviet Union will take no part in international trade in the foreseeable future, neither contributing to it nor asking anything from other nations, it was learned today.

Mr. President, Russia does not have to meddle further in the international state outside her spheres of influence in any way to make what remains of Western Europe and Eastern Asia a millstone about the neck of British and American economy. The simple fact is that western civilization in Europe can never maintain itself with Europe torn in two and divided against itself. The French know perfectly well that they cannot continue to exist as an independent nation so long as Russia remains in control of the eastern half of Europe. The British know this even better than the French, and our statesmen who are now in Paris are confronted with the inescapable fact that on the basis of the Yalta and Potsdam agreements, not only the British, but the European economy, can never again become self-sustaining.

I have pointed out before on the floor of the Senate what the British statesmen have repeatedly said, which is that whoever controls middle Europe controls all of Europe.

Mr. John Hanna, writing in the New York Herald Tribune on March 31, 1946, points out the added tragedy of the stupidity of the vicious Morgenthau proposal by which 25 percent of the world productive capacity and skills in Germany, which are so desperately needed for the reconstruction of European economy and to provide part of that vastly enlarged world market that Britain must have, are being ruthlessly destroyed. Says Mr. Hanna:

The Morgenthau notion that Germany can lose 25 percent of her arable land, can feed about 66,000,000 people in its restricted territories, and in an agrarian economy have an export surplus of agricultural overproduction to pay for enough imports to maintain a decent scale of living is economic nonsense. The western nations will not long support such a policy of revenge, if for no other reason that combined with the inclusion of the German satellites within the Russian economic system it is a method of economic suicide for themselves.

In other words, Mr. President, on the basis of America's present commitments, on the one hand we are being asked to help save the British Empire from Russia, and on the other hand we are asking Russia to make application for a large loan to supplement what we are pouring into Russian-satellite countries. To me, these policies just do not make sense. They create the breeding ground for another war. They are dividing the American people into three groups: Those who are pro-British, those who are pro-Russian, and those who are pro-American—and I want to be classed with the latter. Furthermore, not only are we building up rival forces in the Eurasian Continent which threaten our own security as well as that of the British, but in order to meet our increasing commitments abroad, to maintain the deficit economies of the rest of the world outside of the Russian sphere, we shall be drained of our already vastly depleted resources and we shall be compelled to

transform our own internal economy into a militant bureaucracy which will extend increasingly stricter controls over an ever-widening area of American life.

Mr. President, at this very moment the whole world stands at a tragic impasse, waiting for America once again to reassert her moral leadership in the world. The approval of this British loan by the American Congress not only is not the answer—instead, it is an act which, at best, can only postpone for a brief time the inevitable decision the American people are going to be forced to make. I cannot endorse this British loan on the basis of our present policy, for it will set in motion the forces which cannot help but contribute to the swift deterioration of the present tragic world condition and precipitate a crisis no sane man dares to contemplate.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. JOHNSON of Colorado. I have understood from the proponents of the joint resolution that the purpose was to unblock the blocked currency of the sterling bloc. Of course, the agreement does not provide for any such thing. The agreement provides for the perpetuation of all the blocked currencies which accumulate up until December 31, 1948.

Section 7 of the financial agreement reads as follows:

7. Sterling area exchange arrangements: The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than 1 year after the effective date of this agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling-area countries (apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to December 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

8. Other exchange arrangements.

That takes all the blocked sterling out of the agreement, as well as any which accumulates between now and December 31, 1948. The worst feature of that, as I see it, is that the Dominions and other independent countries which hold these claims cannot do otherwise than blame the United States for participating in the general bloc. No doubt the Dominions and various countries in the British Commonwealth of Nations feel pretty bitter toward Great Britain for blocking the currencies. Great Britain has blocked the currencies so that those countries cannot even purchase in Great Britain, let alone other parts of the world. Now we come along and become a party to that agreement and make it effective. I do not see how we are going to escape severe criticism on the part of Australia, India, and other countries if this agreement goes through.



Mr. WHEELER. Earlier in my remarks I called attention to the fact that India tried to get away from blocked currency. She tried to be released from it so that she could buy in other countries. Not only did England object, but America joined with England to prevent India's effort to unblock. How could the Indian people feel other than unfriendly toward the United States because of our attitude in that matter, and also because of the provision in the financial agreement which the Senator has pointed out?

When I was in Cairo last summer I happened to meet one of the Government leaders. He asked me, "Why do you permit the British to treat us as we are being treated?" I replied, "What have we to do with it?" He said, "If you would just say the word to England, she would not dare to do it."

I was told by our own American representative that he could get between \$12,000 and \$14,000 for a second-hand Chevrolet automobile which he had. I asked the Government representative who took me back to the hotel, and who had a seven-passenger car of American make, what that car would cost him there. He said, "About \$22,000." He also stated that a tractor which he wanted, and which would cost about \$700 in this country would cost him between \$3,000 and \$4,000 over there. So England is getting a tremendous advantage, because when she buys from the United States and sells to those people over there she gets the difference between \$700 and \$3,000 or \$4,000. When she buys a seven-passenger American automobile for \$3,000 or \$3,500, it costs the Egyptian \$22,000.

Mr. JOHNSON of Colorado. Of course, the Egyptian Government has a very large investment in the claims which are banked with the Bank of England.

Mr. WHEELER. That is correct.

Mr. JOHNSON of Colorado. They will all be blocked. I can well understand why the bankers of Egypt and the people of Egypt are indignant. The administration in the United Kingdom has repeatedly stated that Britain cannot hope to carry the bloc system beyond the war; that it was entirely a war measure. They make that statement openly. They say that they cannot possibly continue that kind of an arrangement. But now they have persuaded us to accept the responsibility for blocking currencies which accumulate up to January 31, 1948. There are already \$14,000,000,000 of such currencies which will be blocked forever; and by December 31, 1948, the blocked currencies will amount to probably \$16,000,000,000, and perhaps a little more, because they are accumulating all the time, and we are becoming a party to that very arbitrary action.

Mr. WHEELER. I thank the Senator.

Mr. President, I am not speaking out of enmity, antagonism, or bitterness toward any country—I am trying to point out some simple facts. I am speaking out of a deep concern for the future of America and of civilization itself. As I have previously stated, and now repeat, that the future trade agreements which we are expected to make to reduce our

tariffs will not only seriously affect the manufacturers and farmers of this country, but they are bound to affect the laboring people of this country and our standards of living. I am also thinking of the proposal in the sense that if we make the loan to Great Britain we shall have to make loans upon a comparable basis to other countries. Then when we give this money to Great Britain, we shall be in the position of saying to our own people, to the soldiers who have been overseas, "We cannot deny you anything you want, regardless of what it may be."

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. JOHNSTON of South Carolina. Would it not be better to lend some of this money, if we are going to lend it, directly to India, instead of lending it to the United Kingdom? Perhaps we could trade directly with India, rather than through the United Kingdom.

Mr. WHEELER. Probably the British would be able to block any such trade, if we were to make a loan directly to India. Britain would say to India, "You cannot buy in the United States." She could do so even though we might lend India the money, because India is so dominated by Great Britain that apparently Great Britain has the power to prevent India from engaging in such trade directly.

Mr. JOHNSTON of South Carolina. Is it not true that if we lend this money to Great Britain she will have a debt, and will have to pay back the debt with interest if she carries out her agreement? That being so, England will owe us money, and instead of selling to England we shall have to buy from England in order to balance exports and imports and carry on trade.

Mr. WHEELER. I thank the Senator.

I am reliably informed that at this moment Britain is pleading with the United States Government to join her in forcing a modification of the outrageous Potsdam decisions which already are directly responsible for human agony and suffering and starvation unknown to civilized nations.

The terrifying truth is, Mr. President, that the catastrophe that has already developed in central Europe renders any attempt to implement either the directives of the Potsdam Declaration, or the recent 4-year plan of the Allied Control Council, or any other paper schemes for the reorganization of the German economy, a meaningless gesture.

The victor powers ought to declare an immediate moratorium on reparations in kind by which the whole of Europe is being stripped of desperately needed industrial production capacity, which is being destroyed, and without which neither England nor Europe can survive.

Unless this step is taken, even with all the aid we shall be able to furnish, Europe may be faced next winter with an even more hideous calamity than the last.

Time and again, Mr. President, I have advocated the necessity for a federated Europe, at least for an integrated European economy, and passing events have only confirmed my conviction. If I had the slightest intimation that this gift

would in any way contribute to that happy solution of the problems we confront, I would give my unyielding support either to this or to some other similar proposal. But I cannot give my consent to a measure which I am convinced throws away the one last bargaining power of the American people by which some measure of their hopes and prayers for a decent, just, and enduring peace might be realized.

#### COORDINATION AND EXPANSION OF FEDERAL GOVERNMENT HEALTH ACTIVITIES

Mr. TAFT. Mr. President, at the conclusion of my remarks I shall introduce a bill to coordinate the health functions of the Federal Government in a single agency; to amend the Public Health Service Act for the following purposes: To expand the activities of the Public Health Service, to promote and encourage medical and dental research in the National Institute of Health and through grants-in-aid to the States, to construct in the National Institute of Health a dental research institute and a neuropsychiatric institute, and for other purposes.

Mr. President, this is a comprehensive bill intended to extend Federal aid to accomplish the further extension of health work throughout the United States. In the first instance, the bill sets up a national health agency, an independent agency, to which shall be transferred all the various bureaus and various activities of the Federal Government dealing with the subject of health. It requires that a doctor of medicine be at the head of the National Health Institute and that the health work or the contributions of the Federal Government to health work be concentrated therein, under the direction of such a doctor.

The bill undertakes to encourage the States, through grants-in-aid, to set up comprehensive systems by which free health service and medical service shall be extended to all those who are unable to pay for such medical service. That is not a new principle in this Government. In the States and the localities we have long recognized the obligation of the Government in those States and localities to provide free medical care for people who are unable to pay for such care. While admitted in principle, it has not been universally extended. The health work has grown up here and there, without any over-all plan, and there are many gaps in the service. There are gaps in various rural districts in various States and in various groups to whom the medical service has not been successfully extended.

The general plan of this bill is to extend to States Federal aid at a total cost of approximately \$230,000,000 a year, on condition that the State survey all its health activities dealing with the indigent and undertake to see that a comprehensive system is set up, reaching all sections and all persons who are unable to pay for the service, thus probably extending medical care to from 20 percent to 25 percent of the population. However, the States will receive aid from the Federal Government only if they

make their systems comprehensive and if they cover the entire field to be covered.

The heart of the proposal is contained in the provision that the State program shall be designed and calculated to provide, within 5 years—

(a) Hospital services, surgical services, and medical services in hospitals, clinics, or similar institutions, for all those families and individuals in the State having insufficient income to pay the whole cost of such services.

In other words, it provides for medical services, hospital services, and surgical services, but not actual medical services in the home, which is a far more expansive proposition than medical services in clinics or hospitals.

Subparagraph (b) of section 702 (a) (4) provides health inspection services for all children in elementary or secondary schools in the State.

I may say that most of the defects which were revealed in the draft medical inspections which were in any way preventable arose from failure to discover various defects in teeth and other physical difficulties of school children at a sufficiently early age.

The bill further provides:

Such plan may also, at the option of the State, provide medical care in the home or physicians' offices for such families and individuals.

In other words, the State may extend its medical care and may use the Federal money for the purpose of such extension of medical care, in various cases or in the case of particular diseases, to the home or the physicians' offices.

The bill then provides:

Such plan may also provide for the furnishing of such services to such families and individuals by means of payments of premiums or partial premiums by the State, in behalf of those families and individuals unable to pay the whole cost of such insurance, to any voluntary health, medical, or hospital insurance fund operated not for profit.

In other words, instead of providing medical aid directly, the State may pay the premiums of a voluntary health insurance fund.

Today in the State of Michigan there is such a voluntary health insurance fund which is sufficiently established so that the Veterans' Administration has employed that fund to look after the medical care of most of the veterans in that State; and, in effect, the Veterans' Administration pays the premiums to the insurance fund for those veterans.

This provision of the bill provides that the State may do so, and may thus encourage those funds, which then, of course, would make available to people in the middle-income group who desire health insurance an opportunity to take out health insurance, if they wish to do so. Hospital insurance plans are now very general throughout the United States, and funds to provide medical and surgical service are increasing rapidly. This plan would encourage and promote the development of such plans, as a rule under the organization of the doctors themselves.

The bill then provides that—

Such plan shall provide for the collection of proper charges of less than the total cost of such services from persons unable to pay in whole, but able to pay in part therefor.

In addition to the extension of aid to States which undertake to provide general medical care to the indigent and inspection for the children in the public schools, there is also a provision for State aid in one-tenth the amount—\$20,000,000—for States which set up a dental plan which is confined solely to the inspection of the teeth of children in the public schools. Dental service is much more extensive. It is not usually included in health-insurance funds; and all we have undertaken to do in this bill is to encourage the States to set up a complete inspection service for the children in the primary and secondary schools, and service free for those who are certified by the principal of the school to be unable to pay for such dental service. That, I may say, is the system now in force in the District of Columbia, and this provision of the bill would simply encourage all States to provide such a system and to make it universal throughout the schools.

Furthermore, the bill provides funds for research. There has long been a provision to authorize the Surgeon General to undertake medical research, but no funds have been provided. This bill authorizes the appropriation of the sum of \$4,500,000 for general medical research, and also some aid for dental research and neuropsychiatric research.

I may say that those aids are embodied in separate bills which perhaps may be passed at this session of Congress, and thus render it unnecessary to include them in general bills.

Mr. President, this plan represents a contrast to the plan proposed by President Truman for universal Federal compulsory health insurance. The philosophy of the approach of this bill is completely and entirely different. Under the plan advanced by the President every person in the United States—not only those unable to pay, but everyone—must contribute a percentage of his pay roll, or otherwise, to a compulsory Federal fund for which he is supposed to receive medical service. That means that between \$3,000,000,000 and \$5,000,000,000 would pour into the Federal Treasury in Washington, and would then be expended by a vast administrative organization in paying all the doctors in the United States. The doctors would be directed as to what they could do in the way of furnishing medical service, how often they could call, for what kind of diseases they could call, what kind of medicine they could prescribe, if it were an expensive medicine, and all the details of medical service. In effect, all the doctors in the United States would become employees of the Federal Government. That is not only socialization of medicine, but it is a complete nationalization of the medical profession.

I cannot conceive that the Congress will enact a measure which would cause such a tremendous change in the present

system. Today we have excellent medical service in the United States—probably as good as that which any other country has, with perhaps the exception of some very small, concentrated countries. We do not have to throw that system away and begin with a new one, but we may build upon the system already in existence. The proposal I submit would fill up the gaps in the service performed by the present system. So, under the existing system, with its freedom of doctors and the freedom of medicine which we have enjoyed, and which has made this country almost outstanding in the progress of medical science, we would retain those characteristics and enable every person in the United States to receive adequate medical services.

Mr. President, the bill proposes, therefore, fundamental differences from the other plan. First, it would place the entire responsibility on the States and on the local governments where it now rests. Instead of federalizing the whole undertaking and turning over this tremendous field to bureaucrats in Washington, it would place, as I have said, the responsibility under the State and local governments. In the second place, it attempts to provide only for those who are unable to pay for essential medical service, leaving those who are able to pay free to do as they choose with reference to obtaining medical service. The bill would encourage the development of health-insurance funds for persons who may wish to take advantage of such insurance and protect themselves against the future occurrence of some form of catastrophic illnesses.

Mr. President, so far as I am concerned, the provisions of the bill represent a part of a program which I set forth in a speech printed in the CONGRESSIONAL RECORD of October 22 last year. It is based on the general principle that this country has sufficient wealth and production to prevent hardship and poverty which exist under any free-enterprise system. Those who are so unfortunate as not to be able to work and those who cannot obtain work or, for some reason have to work at jobs which do not return a sufficient income to provide a decent living, may take advantage of the provisions under this proposal.

I believe this country can and should provide a floor under certain essential services such as health, education, housing, and subsistence. We have long recognized our obligation to provide such facilities, but we have not fulfilled it, largely because of the limited funds available to the States for such purpose. I believe the Federal Government should assist in providing funds to stimulate the States in order that they may undertake a more thorough job in this field. We passed the so-called housing bill to provide houses to those who could not purchase houses from private enterprise. The Senator from Alabama [Mr. HILL] and I recently introduced a bill providing a minimum basis of education in districts and States which are unable to provide such educational facilities.



Through the bill which I will introduce we are attempting to provide a minimum floor under medical service, and provide that all those who are so unfortunate as to be unable to pay for necessary medical services may receive them free.

Mr. President, throughout the program I believe we should insist upon State responsibility. I think we should insist that the Federal Government's interest is not only in those who are unable to meet the expenses, leaving the remainder of the population—about 75 percent—free to work out their own problems and lives, and free to develop and act under the same principles of freedom, energy, and initiative which have made progress possible in this country. That energy and initiative is always present in the 75 percent of the people who are able to pay their own way.

The program as a whole, must not be too expensive, or we will impose a burden upon the 75 percent of the people, and thereby deter them from proceeding with the necessary work, initiative and risk-taking which will make them progress. Those are elements which we seek in the general average advancement of the population.

Mr. President, the particular program to which I have reference will cost approximately \$300,000,000 for health, \$250,000,000 for education, and \$150,000,000 for housing, or a total of approximately \$700,000,000. I do not believe that is too much to spend on the extension of social-welfare services in a total budget which will certainly run as high as \$20,000,000,000 a year. I believe that the American people are willing to pay as much as \$700,000,000 for the additional service which is here being promoted. Certainly, I think it is something in which they will take much greater interest than, for example, the granting of \$4,000,000,000 to Great Britain in order to carry out a theory of international trade which no one has yet approved.

Mr. President, I ask unanimous consent to introduce this bill in behalf of myself, the Senator from New Jersey [Mr. SMITH], and the Senator from Minnesota [Mr. BALL].

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

The bill (S. 2143) to coordinate the health functions of the Federal Government in a single agency; to amend the Public Health Service Act for the following purposes: to expand the activities of the Public Health Service; to promote and encourage medical and dental research in the National Institute of Health and through grants-in-aid to the States; to construct in the National Institute of Health a dental research institute and a neuropsychiatric institute; and for other purposes, introduced by Mr. TAFT (for himself, Mr. SMITH, and Mr. BALL), was read twice by its title and referred to the Committee on Education and Labor.

Mr. SMITH. Mr. President, I wish to say a word in support of the bill which has been introduced by the distinguished Senator from Ohio, and in which I am happy to join.

I have the privilege of being a member of the Committee on Education and Labor. We have engaged in hearings on the entire question concerning a proper health program. I wish to point out the difference in approach which is being resorted to in meeting this over-all national program.

No one feels more deeply than do I concerning the need of our providing an adequate health service for the people in the lower income brackets in this country. We must find ways and means of doing so practically. The whole issue lies between those who believe that the matter can be handled federally by an over-all compulsory program to be managed from Washington with our dollars, and those who believe in the philosophy of the bill which has been introduced, and which deals in terms of grants-in-aid to States, and puts the responsibility directly up to the States to determine their own health programs with aid from the Federal Government, and requires that they match the Federal aid and provide their own programs.

The difference in approach, Mr. President, is on the one hand, the difference between centralized control and an over-all bureaucratic form of handling the problem and, on the other hand, asking the States to assume their responsibility. We believe that the bill which has been introduced affords the more practical method of the two.

All through our history we have profited by the fact that we had 48 States which were, in a sense, laboratories in which new programs and methods could be put into effect. In carrying out the proposed program, we will not be required to go to the Federal Government for a centralized control. We will ask the States to show us the way, and thereby enable all our people to be protected through a medical and health program. Those who are proposing this bill wish to obtain the best health system which can be obtained for the people of this country. We are thinking particularly in terms of those in the lower income brackets. I submit that the method of trial and error, the method of evolution in our progress in difficult and complicated subjects such as this, and our desire to have wholehearted support of the medical profession represents the proper approach to a blueprint for the future.

So, Mr. President, I am happy to join with my distinguished colleague in sponsoring the bill which he has introduced.

#### PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. HOEY. Mr. President, I shall speak very briefly concerning the proposed British loan. I shall not go into many details, because the matter has been so thoroughly discussed from every angle that I do not deem it worth while to trespass upon the time of the Senate.

The settlement of our international problems is closely linked with the economic stabilization of Great Britain.

We cannot afford to deal with this grave issue upon the basis of political expediency. It calls for the exercise of the highest qualities of statesmanship. A narrow or purely selfish view of this situation would deny to America the opportunity to maintain her world leadership and to establish a mighty bulwark of defense against a third world war.

We have learned many lessons since World War I. We must not fail to measure up to the opportunities and responsibilities of this hour. Following the close of the fierce fighting and terrible slaughter of World War II, we gave definite promise of having completely recovered from our isolationism and determined to exert the full measure of our power and prestige to preserve world peace. In order to accomplish this purpose, the Congress, with the full approval of the American people, passed several important measures to implement world economy and stabilize the other nations, especially those countries with us in the recent war.

At least five enactments of the Congress could be designated as measures calculated to help other nations achieve some measure of economic stability and reestablish their trade and get back on a basis of reasonable productivity and prosperity. They might be classified as follows: First, the renewal of the Reciprocal Trade Treaties Act; second, the Bretton Woods Proposals involving the establishment of the International Bank and the International Fund; third, the International Food Council; fourth, the increase in capital of the Export-Import Bank; fifth, the ratification of the United Nations Charter by the Senate and the later measure establishing the United Nations Organization. All of these measures were essential, and I believe will prove effective in aiding the world in recovering in some degree from the ravages of war, and the devastation of business, industry, and resources occasioned by the war.

The British loan is another step in the world recovery program. The question confronting us now is, Shall we falter in this final effort to complete our work and thus negative much that we have already done and probably fail in the accomplishment of our ultimate goal, or shall we courageously face the stern facts and measure up to our full duty, with the reasonable assurance that this action on our part will result in saving the economy of Britain and give the whole world a better chance to survive? There can be but one safe course to pursue, and but one choice for us to make.

America cannot be oblivious to what is happening in the rest of the world. We know what did happen, and we should know what may happen again. This war has cost us \$300,000,000,000 in treasure, not to mention over 1,000,000 casualties, with more than 200,000 deaths of our bravest and best soldiers. Is it too much to invest \$3,750,000,000 additional to help make secure the peace of the world, and to safeguard our own national security for the future? This loan would represent only about 2 weeks of the cost of the war to the United States toward its close. Surely Great Britain saved us

more than that in shortening the war for us—especially since she expended her men and resources without limit in the first part of the war in holding Germany at bay while we prepared to fight.

The making of this loan will not be an altogether altruistic gesture on our part. We are going to reap a commensurate financial or material benefit. America cannot be prosperous for long in an impoverished world. America cannot have plenty in a world in want. Hunger was responsible for Mussolini and for Hitler. Hunger causes revolutions. The one sure way to spread communism is for hunger and want to stalk through the earth. If these forces overrun other nations we need not lay the flattering unction to our complacent selves that we in sheltered America will escape the blight and devastation of a communistic world. Our best insurance policy against the flood tide of communism and revolution is to enable Britain to live and maintain her economy and exercise her influence over her far-flung dominions. This loan will be worth all it costs as an insurance policy for our material prosperity, not to say anything of the higher value in contributing to the maintenance of world peace.

There are several specific reasons why this loan would be beneficial to America and why I think it should be made. The following are just a few of them:

First. Great Britain is our best customer for tobacco, cotton, and many other surplus products. The prices of these staple products have often been sustained by British purchases.

Second. This loan will stabilize Great Britain and the whole sterling bloc, and will thus serve to prevent the depreciation of the currency of the participating nations in the International Bank and International Fund, and, hence, make possible the establishment and maintenance of foreign markets for our surplus products.

Third. Great Britain is the one great nation of the whole world that we can depend upon to stand by the United States in any world conflict.

Fourth. Britain is the only great nation sharing our democratic faith and spiritual kinship in the struggle for liberty, freedom, and justice. We shall need her in the world of tomorrow, and we cannot afford to let her fail.

I do not know how popular opinion is divided on this vital question of a loan to Britain, and it is of no concern to me. It is quite easy to join the crowd in saying that America should look after her own interests and cease financing the world. That is an old shibboleth, but it is out of harmony with the duty and destiny of America today. In this high hour of our opportunity and responsibility we must recognize that the one way to safeguard our own interests and make secure our own future is to lend the weight of our influence and resources in helping the one nation without whose valued assistance and powerful cooperation we will not be able to maintain either a prosperous or peaceful world.

If we are to grant this loan, we should make it upon the basis recommended by our own President, our State and Treasury Departments, and those who repre-

sent us in the councils of the nations, and upon the terms already approved by Great Britain. Believing that this course will best serve the material interests of our own country and the cause of world peace, I shall support the resolution as reported by the committee.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arizona [Mr. McFarland].

Mr. JOHNSON of Colorado. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Green	Millikin
Austin	Hawkes	Mitchell
Briggs	Hayden	Moore
Butler	Hickenlooper	Radcliffe
Byrd	Hill	Revercomb
Capehart	Hoey	Russell
Capper	Johnson, Colo.	Saltonstall
Donnell	Johnston, S. C.	Smith
Downey	Langer	Taylor
Eastland	McFarland	Wiley
Ellender	McMahon	Willis
Ferguson	Maybank	
Gerry	Mead	

The PRESIDING OFFICER (Mr. McMahon in the chair). Thirty-seven Senators having answered to their names, a quorum is not present. The clerk will call the names of absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BALL, Mr. BARKLEY, Mr. CORDON, Mr. FULBRIGHT, Mr. HATCH, Mr. HUFFMAN, Mr. MURRAY, and Mr. TAFT answered to their names when called.

The ACTING PRESIDENT pro tempore. Forty-five Senators have answered to their names. A quorum is not present.

Mr. BARKLEY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. YOUNG, Mr. HART, Mr. BROOKS, and Mr. SHIPSTEAD entered the Chamber and answered to their names.

The ACTING PRESIDENT pro tempore. Forty-nine Senators having answered to their names, a quorum is present.

Mr. HAWKES. Mr. President, I ask unanimous consent to be excused from attendance on the Senate until next Tuesday.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

Mr. LANGER. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, I make a point of order that no business has been transacted since the last quorum call.

The ACTING PRESIDENT pro tempore. The Chair is of the opinion that the request of the Senator from New Jersey [Mr. Hawkes] for unanimous consent to be absent from the Senate having been acted upon by the Senate, business has been transacted.

Mr. BARKLEY. Is that what is called business? If a Senator asks unanimous

consent of the Senate to be absent, is that business, within the meaning of the rule?

The ACTING PRESIDENT pro tempore. That is the advice which the Chair receives from the Parliamentarian.

Mr. BARKLEY. I think that is a very fine stretching of the rule and the precedents. If any similar requests are made from now on I shall object, if that is to be regarded as the transaction of business. I am sure the Senator from New Jersey did not intend his simple request to be regarded as the transaction of business which would make possible another quorum call within 2 minutes after we have just had one.

The ACTING PRESIDENT pro tempore. The Chair is advised that it has been held in a number of instances that when a unanimous-consent request is made and action is taken on it by the Senate, it constitutes the transaction of business.

Mr. BARKLEY. I am not taking an appeal from the ruling of the Chair, but I think it is a ridiculous situation when, immediately following a quorum call and the development of a quorum, the mere request of a Senator to be absent for a day or two constitutes the transaction of business which justifies another quorum call.

Mr. HAWKES. Mr. President, I am sure that the Senator from Kentucky did not intend to reflect on my request to be absent from the Senate, because such requests are made by Senators every day. It just so happens that the Senator from Kentucky is raising this issue following my request to be absent from the Senate.

Mr. BARKLEY. That is true.

Mr. HAWKES. I know that the Senator has enough faith in me to know that I did not make the request with any idea that it would affect a quorum call.

Mr. BARKLEY. Of course I know; and I make no reflection whatever on the Senator from New Jersey.

Mr. HAWKES. I wish the RECORD to be clear.

Mr. BARKLEY. Other Senators have asked that they be permitted to be absent for a day or two. No point of order has been made, no objection has been made, and no request for a quorum call has been made on the pretext that business has been transacted.

Mr. TAFT. Mr. President, the subject of the business is not the question. It seems to me that always under the rules of the Senate action by the Senate upon a unanimous-consent request is necessarily the transaction of business. I do not see how we can distinguish between different kinds of business because of the importance or lack of importance of the particular subject. I cannot understand the objection to the ruling of the Chair. It seems to me to be in accord with past rulings by presiding officers of the Senate.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Capper	Ferguson
Austin	Cordon	Gurney
Ball	Donnell	Hart
Barkley	Ellender	Hatch



Hawkes	Mead	Walsh
Hill	Murray	Wiley
Johnson, Colo.	Radcliffe	Willis
Langer	Revercomb	Young
Lucas	Shipstead	
McMahon	Smith	

The ACTING PRESIDENT pro tempore. Twenty-eight Senators having answered to their names, a quorum is not present.

The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. CARVILLE, Mr. DOWNEY, Mr. HAYDEN, Mr. JOHNSTON of South Carolina, Mr. MAGNUSON, Mr. MAYBANK, Mr. MCFARLAND, Mr. MYERS, Mr. O'MAHONEY, Mr. RUSSELL, Mr. TAFT, and Mr. WAGNER answered to their names when called.

The ACTING PRESIDENT pro tempore. Forty Senators have answered to their names. A quorum is not present.

Mr. BARKLEY. I move that the Sergeant at Arms be directed to request the attendance of the absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. HOEY, Mr. SALTONSTALL, Mr. BRIGGS, Mr. PEPPER, Mr. GREEN, Mr. GERRY, Mr. FULBRIGHT, Mr. CAPEHART, Mr. MITCHELL, Mr. TAYLOR, Mr. MILLIKIN, Mr. MOORE, and Mr. HICKENLOOPER entered the Chamber and answered to their names.

The ACTING PRESIDENT pro tempore. Fifty-three Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President, earlier in the day I announced for the information of the Senate that at the conclusion of today's session I would move a recess until tomorrow, which I shall do. Under the present posture of legislation in the Senate, and the importance of numerous matters which are before the country and the Congress, I am unwilling that the Senate be in recess tomorrow.

I have been asked by many Senators whether it is my purpose to move to lay aside the pending joint resolution at any time between now and the 15th of May in order that the Senate may consider a proposal to extend the present draft law. For the information of the Senate I now announce that I not only will not move at any time between now and the 15th day of May to lay aside the pending business in order to take up the measure to extend the draft law, but I will resist with all the power and influence I possess any motion which may be made by any other Senator to lay aside consideration of the pending legislation in order to consider the extension of the draft law, even though the law expires on the 15th of May. I make that statement in order that Senators may understand that they may make, if they choose to do so, the motion to which I have referred, but that in doing so they must accept such responsibility by a majority vote. However, it will not have my sanction or support.

Mr. President, we have been debating the pending joint resolution for 3 weeks. We have not yet even voted on an amendment. No one knows how long it will take

to discuss, consider, and dispose of amendments to the joint resolution. I feel in my own heart that the repercussions and the consequences of the pending legislation upon our own economy, and upon that of the world of which we are a part, transcends in importance the extension of the draft law on the 15th of May of this year. Other Members of the Senate may not agree with me on that point, and, if they do not, it is their right to vote for a motion which may be made at any time between now and the 15th of May to set aside consideration of the pending legislation for the purpose of considering the extension of the present draft law. I shall not only not make such a motion, but I shall resist it, and I hope it will be defeated. I think the Senate is entitled to that information and, so far as I am concerned, in order that we may go forward with the pending legislation, and in the hope that we may dispose of it in ample time to take up the extension of the draft in whatever form the Congress may see fit to extend it, I repeat that I am unwilling to lay aside at this juncture, or at any time between now and the 15th of May, the pending joint resolution which is the key, in my judgment, to the foreign economic policy of the United States, and which has been endorsed by our Government, by every branch of our Government, and by the overwhelming sentiment of the American people insofar as they have been able to speak through any organization which represents them. Mr. President, I repeat once again that I am not willing to move that the Senate lay aside consideration of the pending joint resolution until we have completed action upon it.

If any Senators are hoping, whether they favor or oppose the proposed legislation, that the Senate will lay it aside for the consideration of the draft bill, and then, perhaps, by the time the draft bill is disposed of, that we may have the OPA bill on our doorstep, and that we may have a further extension of the consideration of the pending proposal, so far as I am concerned, I have no such plan, and will not endorse or support such a movement.

I thought the Senate was entitled to this statement from me, and I hope it will be accepted in good faith. In making it, I make no implications remotely against any Senator in connection with the whole subject. But I have been asked repeatedly, indeed, I am asked every day and every hour of the day, whether we are going to lay the pending business aside for the draft bill, and my answer is "no," and, insofar as I am concerned, and so far as my influence and my efforts are concerned, the answer is "no."

Mr. President, I do not know that it is necessary to say anything more.

Mr. JOHNSON of Colorado. Mr. President, I am sure that our very distinguished majority leader, who has the devotion of the whole Senate as no other man in the Senate holds it, and is usually very patient, will agree that the debate for the most part has been constructive and to the point. Outside of perhaps a few instances, there have been no delaying tactics.

The Senator has stated that the pending joint resolution is a very important

measure, and it is, and it certainly is entitled to complete and thorough discussion by the Senate; and that we have had. I assured the Senator that, so far as I was concerned, the general debate on the joint resolution would be over, not later than Monday, and that every Senator was anxious to start voting on the amendments on Tuesday. Yet the Senator insists that we have a session tomorrow, when he knows that a great many Senators have been excused from attendance, and knows that most Senators like to reserve Saturday to clean up some of their office work. Nevertheless, we have to have a session on Saturday.

We have been sitting late each evening all this week, and Senators have accommodated themselves to that situation. I had hoped we would not have a session Saturday, but our floor leader says we are to have one; so we will have a session. However, I do not think it is quite fair to the Senate. It is not going to speed up the debate on the question—not 1 hour, not 5 minutes. It will leave us in the same circle we are in. The general debate will undoubtedly be concluded on Monday, and voting will start on Tuesday, whether we have a session tomorrow or whether we do not.

Mr. BARKLEY. Mr. President, I said in my remarks that I made no implication against any Senator, as to his motives or anything else. I have no way of knowing how much more debate there will be on the pending measure. The Senator from Colorado is correct in stating that he said to me privately that in his opinion the debate would end so that we could begin to vote on Tuesday. I do not know how many more speeches there are to be, and how much general debate there is to be. If anyone had wandered into the galleries of the Senate during the last two weeks and observed the attendance, or lack of attendance, on the floor of the Senate, he would have been convinced that no Senator was behind with his mail because of his attendance on the floor of the Senate.

If Senators have not caught up with their mail by now, one more day, Saturday, will not help any.

I feel that inasmuch as we have gone on for 3 weeks in the debate—admitting that most of it has been to the point; some of it has not been, some of it has been wide of the mark, and on other subjects—the Senate owes it to itself and owes it to the country to give the impression that it is willing to sacrifice a little of its mail, if necessary, in order to devote its time to the duties which the people chose Senators to perform in the Senate of the United States.

I feel that the time has come when we must determine when we are to act upon the joint resolution now pending. If the Senate is in a mood to defeat it, let Senators vote against it. It should not be defeated by indirection. New amendments are being offered every day, and discussed, and we have to vote on them. Of course I do not object to that. Any Senator has a right to offer an amendment who desires to do so, but I do feel, and I feel very strongly, that if the Senate desires to defeat the agreement which has been entered into between our

Government and the United Kingdom; it should vote against it directly, and not kill it by pouring hot lava down its throat in the form of an amendment of some kind.

Senators might as well understand now, as I have tried to emphasize all along, that any amendment which requires the renegotiation of the agreement is tantamount to its defeat. I think the Senate should go on record about it in a direct way. If it wants to vote against it, vote it down, and I shall make no complaint, although I will feel in my heart that the Senate is wrong about it. But the Senate should vote it up or down, and not require a long series of negotiations again in order to satisfy the judgment of someone who thinks something else should have put into the agreement that was not included when it was negotiated, after weeks and months, by both governments.

Mr. TAFT. Will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I merely wish to call the attention of Senators to the fact that we have a serious conflict in the Senate. During the entire week, both morning and afternoon, two committees of which I am a member have been sitting, the Committee on Banking and Currency on the OPA bill, both morning and afternoon, and the Committee on Education and Labor on the health bill, both morning and afternoon. The Committee on Appropriations has also been in session both morning and afternoon. I do not think the Senator is fair in implying that Senators who fail to attend the meetings of the Senate are looking after their mail. Whether the conflict can be resolved in some way, so that we will not have to have committee meetings proceeding when the Senate is in session, I do not know, but certainly that situation is primarily responsible today for the lack of attendance on the floor of the Senate the past week, during the afternoons.

Mr. BARKLEY. I agree with what the Senator from Ohio says. I am in the same situation. I am a member of the Committee on Banking and Currency, and I have tried to attend the hearings on the extension of the OPA. The Foreign Relations Committee has been meeting, and I have not been attending the meetings. The Committee on Finance has also met. As chairman of the conference on the housing bill, I have not had a chance to call the conferees together. But I was referring to the suggestion that we should not have a session tomorrow so that Senators could catch up with their mail. All Senators are not members of the Committee on Foreign Relations, the Committee on Banking and Currency—

Mr. TAFT. And the Committee on Education and Labor. With the Committee on Appropriations, that makes four committees, which include nearly all Senators, as a matter of fact.

Mr. BARKLEY. Of course, where there is an urgency to complete hearings, committees take the chance of holding afternoon sessions. The Committee on Banking and Currency has done that,

but the Committee on Foreign Relations has not, nor has the Finance Committee. Whether the Committee on Education and Labor holds afternoon sessions I do not know. I have not been advised about that. The Committee on Appropriations of course, naturally, particularly the subcommittees, hold hearings in the afternoon. That is always true.

Mr. PEPPER. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. I wish to supplement what was said by the Senator from Ohio [Mr. TAFT] which, in my opinion, emphasizes the necessity of the Senate, before we adjourn this session, giving consideration to the report of the La Follette committee, which contains some constructive suggestions as to how the time of Senators can be divided between sessions on the floor and attendance on committee meetings.

The second suggestion I venture to make is, frankly, that since I have been in the Senate, for nearly 10 years, it has been my observation that, although we may have a burning issue before us for discussion, Senators do not attend all the sessions, because too often other Senators are making fixed and prepared addresses to the Senate, and while Senators always like to show courtesy and honor to their colleagues, and show interest in what they have to say, nevertheless, every Senator has demands on his time.

I believe that if the Senate should adopt the rule which prevails in the House of Commons in England, that no one except the members of the government, or, perhaps, a leader of the opposition, should be permitted under the rules to use a manuscript upon the floor in debate, and we really debated measures, instead of each one of us delivering a declamation on the general subject, when we had before us an important measure, we would have a full attendance of Senators, and we would have real give-and-take in debate, such as is contemplated in a legislative body when a vital issue is under discussion.

I should like to invite the attention of our able leader to seeing, when burning issues are under consideration, if he cannot in some way or other have real debate, the give and take of opinion, upon the Senate floor, rather than Senators delivering carefully prepared declamations on the general subject. I think we would have a larger attendance.

Mr. BARKLEY. The Senator from Florida knows, as we all know, that neither I nor anyone else has any control over whether a Member shall speak from a manuscript or speak extemporaneously. I remember an unfortunate episode in which I was involved. I had been invited to address my alma mater, not to deliver a commencement address, but what I thought was an important address to the alumni association of my college, and I spent 6 weeks preparing a manuscript. When I arrived there was a great crowd on the campus, and I proceeded to read my speech. The chairman of the committee who had invited me to speak asked me home with him for lunch. I went home with him. I expected some response to my speech.

I expected some comment upon it. But nothing was forthcoming. Finally, after a respectable period of waiting, I asked him what he thought of my address. He said, "I have three criticisms to make, and I hope you will accept them in the spirit in which I offer them." I said, "Shoot. I asked for it." "Well," he said, "in the first place you read it, and in the second place you read it poorly, and in the third place it was not worth reading." [Laughter.]

That, Mr. President, applies to me only. It does not apply to other Senators, because it was my experience in reading a speech.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McFARLAND. I do not wish to make any comment on the manner in which Senators speak. That is something which is up to the individual Senators. I am willing to proceed here in the American way, and I do not care anything about adopting the British system, or their manner of speech in Parliament.

Mr. PEPPER. Not even about the loan.

Mr. McFARLAND. We will talk about that later.

Mr. BARKLEY. Of course, the Senator knows that no one in this Chamber is in favor of adopting the British system, although we might learn some lessons from every other parliamentary body in the world, and also their methods might help us in working out our problems.

Mr. McFARLAND. Yes, but I understood the Senator from Florida to say we could improve ourselves by adopting some of their methods. I merely want to say I prefer the method and manner which has been carried on here for 150 years. But the proposition, as I see it, is, When are we going to have a vote? I have been anxious to get to a vote. If we have a session tomorrow would the Senator from Kentucky be willing that we vote?

Mr. BARKLEY. I would be willing, yes. But I have been advised privately that we are not going to be permitted to vote on anything until next Tuesday, on the theory that by next Tuesday general debate, as we call it, will be exhausted. As I said, I have no way of knowing how much general debate there will be, but I think we ought to have a session tomorrow to get rid of whatever part of it remains. If we cannot vote on Monday, let us get rid of the general debate, if that is what it is called, so we may get down to voting on the amendments. The amendment of the Senator from Arizona is one of the first to be voted on.

I understand the Senator from Colorado [Mr. JOHNSON] is going to make a constitutional point against this legislation on the ground that it violates the Constitution. That is subject to debate. We will have to argue that out and vote on it, because under the precedents and practices the Chair does not pass upon such a question. The Chair has to submit it to the Senate for a vote. Under those conditions no one knows whether we will be able to vote on amendments before Tuesday or even Wednesday.

Mr. McFARLAND. Mr. President, one can never tell, when we reach this stage



of the debate, when we may reach the point of voting. Things might change tomorrow. If we are forced into a session tomorrow the situation might change.

Mr. BARKLEY. I do not know what the Senator has in his mind about things changing tomorrow.

Mr. McFARLAND. Senators who say they are not now willing to vote might change their minds.

Mr. BARKLEY. If they do, very well. If the Senate is in session tomorrow and ready to vote, let us vote. I am willing to vote. I am not willing on my own volition to postpone a vote simply because a few Senators have gone out of town, no matter whether they are for or against this legislation. That is their responsibility and not mine.

Mr. McFARLAND. If that is the Senator's position—

Mr. BARKLEY. Yes; that is my position.

Mr. McFARLAND. Then, I wish to say that I will be present; and if the Senate is ready to vote, I will vote.

Mr. BARKLEY. I realize that some Senators have to go out of town, and I realize that some others do not have to go.

Mr. President, I did not rise to get into a controversy. I rose simply to announce that, so far as I am concerned, I shall not move or support any motion to lay this legislation aside in order to take up the draft legislation, even if the draft act expires on the 15th day of May.

The ACTING PRESIDENT pro tempore. The question is on the amendment of the Senator from Arizona [Mr. McFARLAND].

SEVERAL SENATORS. Vote! Vote!

Mr. LANGER obtained the floor.

SEVERAL SENATORS. Vote! Vote!

The ACTING PRESIDENT pro tempore. The Chair will state that the Senator from North Dakota has been recognized.

Mr. ELLENDER. Mr. President, I demand order.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota has been recognized.

Mr. PEPPER. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. PEPPER. I wish to say to my able friend the Senator from Arizona [Mr. McFARLAND] that I think the United States and its people have adopted the King James version of the Bible, and they have profited by the British common law without any great detriment or subservency; and they have been rather proud to be the co-heirs of English literature, without feeling that we are less American. I thought that, perhaps, it might be worthy of mention that they seem to have made a little better progress by a rule which has prevailed in the House of Commons, and I merely submitted my observation upon it. I still think it is worthy of consideration, and I hope the able Senator will not feel that the suggestion of a practice that prevails in another and distinguished parliamentary body is unbecoming for one whose first and only allegiance is to America.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. I wish merely to suggest also that, although we do it imperfectly, we still speak the English language. [Laughter.]

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. McFARLAND. I wish to say to my good friend, the distinguished Senator from Florida, that I made no insinuation. I merely wanted to say that I was satisfied with our own system.

Mr. LANGER. Mr. President, I want to say first of all that I suggested the absence of a quorum after the distinguished Senator from New Jersey [Mr. HAWKES] had received permission to be excused from the Senate, for the reason that when the roll was called only 49 Senators, a bare quorum, answered. The moment the Senator from New Jersey was excused it meant that a quorum was not present; so I suggested the absence of a quorum in order that a quorum might be present.

Mr. President, night before last the Senate remained in session after 7 o'clock. One of the most important reports made to the Senate for a long time was submitted by the junior Senator from New York [Mr. MEAD]. Present were the Presiding Officer, the Senator from Nebraska [Mr. WHERRY] and I. Only three Senators were upon the floor in addition to the Presiding officer. That report of the Mead committee was long and extended and important. If we are to take up important matters such as the report of the Mead committee, and can begin with the reading of the report at half past six in the evening, as was done the other day when only three Senators were on the floor, then I submit that a quorum call is very much in order.

SPOILAGE OF POTATOES IN NORTH DAKOTA—DEVELOPMENT OF THE ST. LAWRENCE

Mr. President, I wish to call the attention of the Senate to another matter. Last week the Secretary of Agriculture, Mr. Anderson, and Mr. LaGuardia, head of UNRRA, were in North Dakota. There was a great deal of publicity connected with their visit to North Dakota. They went there to obtain wheat, and they did get a great deal of wheat, and made a good impression. Yet at the very time they were there getting wheat we find, according to an Associated Press dispatch which I have in my hand, that 4,000 carloads of potatoes were rotting in North Dakota.

Mr. President, I do not know who in the administration is responsible, but in North Dakota Government officials would not pay us what our wheat was worth. In January, February, and March they said "We need wheat," and the farmers delivered it. The patriotic farmers who were anxious to help, delivered their wheat. Then when the month of April came the farmers were told, "To all of you who did not deliver we are going to give 30 cents more a bushel for your wheat." And the Secretary of Agriculture and Mr. LaGuardia flew to North Dakota and, as I said, they held a meeting there.

I wish to read to the Senate this Associated Press dispatch telling about the rotting of 4,000 carloads of potatoes. They are right in the heart of the potato country, at Grafton, N. Dak.:

More than 4,000 carloads of potatoes (about 80,000 tons) which could have been used to help feed starving Europe and Asia, have rotted in this community because Government agencies failed to provide transportation facilities, Harley Kingsbury, prominent potato grower, charged today.

Mind you they had the potatoes. They were there ready to be shipped, and there were no facilities with which to ship them.

Kingsbury, one of the largest potato factors in the country, said the AAA, the Commodity Credit Corporation and the ODT had ignored his pleas and that of scores of North Dakota potato growers for help. He said:

"All we got in the way of help was a letter from the ODT in Chicago calling us alarmists because we were worried about the lack of transportation.

"And now, 4,000 carloads of potatoes have spoiled and are no longer fit for human consumption. It seems to me to be a frightful waste when the whole world is so badly in need of food."

#### PLANTERS ALL LOST

Kingsbury said that all potato growers had been exhorted by Federal agencies to produce maximum crops because of world food shortages. He said:

"I planted 400 acres of potatoes after the AAA promised to take them at \$2 per 100 pounds. But they never took them. All of us have had to take our own losses."

Last spring when the time came to seed these potatoes the Federal agencies begged the farmers in the Northwest to plant potatoes. After they were planted the agencies said they had no use for them. For example, the Army had contracts for 10,000,000 pounds of dehydrated potatoes. They signed contracts for dehydrated potatoes all over North Dakota. Yet when the time came to dehydrate the potatoes after the farmers had raised them, the Department of Agriculture announced that it was cheaper to let those potatoes remain on the farms than to have them dehydrated, although the dehydrating facilities were available in North Dakota and Minnesota.

Kingsbury estimated that out of 100 carloads he produced, less than one-third had been salvaged for food.

In neighboring potato-growing areas, similar conditions have resulted in huge wastage, although not as extensive as in Walsh County, Kingsbury said.

He estimated that losses would run as high as 40 percent in other areas compared with a two-thirds loss in the Grafton section of Red River Valley.

Mr. President, 4,000 carloads, or 80,000 tons of potatoes, have spoiled in the vicinity of Grafton, N. Dak. I wish to call the attention of the Senate to the fact that other parts of North Dakota are also engaged in the potato-growing industry. In the northern part of the Red River Valley millions of bushels of potatoes are raised. Both my colleague [Mr. YOUNG] and I have received telephone calls on the subject. We obtained refrigerator cars and sent them out, but the net result is that hundreds of thousands of bushels of potatoes spoiled.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. LANGER. I yield.

Mr. AIKEN. Do the people of North Dakota and other States in the Northwest realize that their transportation problems would be largely solved, and the immense losses which they sustain year after year upon their crops would be eliminated, if the St. Lawrence seaway were constructed so that they could get their crops to the markets of the world, to feed the starving peoples of the world?

Mr. LANGER. I will say to the distinguished Senator from Vermont, who is strongly in favor of the St. Lawrence waterway development, that beginning in 1938, the North Dakota Legislature appropriated \$2,000 so that we could contribute our portion to what was known as the St. Lawrence Waterway Council, at Duluth, Minn. We appropriated \$2,000 in 1930, \$2,000 more in 1933, and \$1,000 in 1935. We have been continuing that appropriation. I know that both my distinguished colleague [Mr. Young] and I have done everything possible to bring about the construction of the St. Lawrence waterway. I think the Senator knows that I joined with him in sponsoring a bill to that end.

Mr. AIKEN. Mr. President, I believe that no one is more strongly in favor of the St. Lawrence waterway, or has worked harder to secure it, than the Senator from North Dakota. I think it is about time for this country to take to task the obstructionists who for years have delayed the construction of this great waterway. They are themselves responsible for the loss of millions of tons of food in this country which could be transported at reasonable cost to starving people throughout the world, as well as to market on the Atlantic coast, if this great natural resource of America were developed.

I am disgusted by the receipt of letters from people asking me to support the British loan, when I know that the very same people are working their heads off to obstruct the development of the natural resources of our own country. I am inclined to favor the British loan; but I am sorely tempted to vote against it when I see the very same people who are advocates of the British loan working against the construction of the St. Lawrence seaway.

Mr. LANGER. I ask the distinguished Senator if it is true that the Committee on Interstate Commerce has now reported our bill?

Mr. AIKEN. No. I understand that a subcommittee of the Committee on Foreign Relations has made a favorable and comprehensive report to the full committee, but that the bill is still delayed in the Committee on Foreign Relations, and was not reported because the chairman of the committee asked the committee not to act upon it until he gets home; and no one knows when that may be. I do not know that the committee has agreed to that request.

Mr. LANGER. How long has the Senator himself advocated on this floor the development of the St. Lawrence waterway?

Mr. AIKEN. I have advocated it ever since I first became a Member of this body, and for years before that time.

Mr. LANGER. Has the Senator ever been successful in obtaining a vote on it, aside from the time when he added it as a rider to another bill?

Mr. AIKEN. No. The real opposition to the measure consists of the power companies of the United States. I do not care what they use as a front. The tactics have been delay, obstruction, and the raising of technical points. Those are the tactics which they are practicing. They are obstructing the progress and delaying the strengthening of the security of this country. The Joint Chiefs of Staff have said that this great development is necessary for the protection of the United States, and still those people put their unwarranted profits above the security of the Nation.

Mr. LANGER. It is not true that the last four Presidents, Republicans as well as Democrats, have advocated the St. Lawrence waterway?

Mr. AIKEN. That is perfectly true. The Senator can go back further, to the second inaugural address of Abraham Lincoln, and find that he raised the question of always maintaining an adequate waterway for the people of the Central States to the North, to the South, and to the East. Abraham Lincoln predicted in that inaugural message that some day there would be 50,000,000 people living in the Central States, who would be served by this great waterway.

Not only did all the Presidents for the past generation advocate this project, but the Governors of States, Secretaries of State, Secretaries of War, Secretaries of the Navy, and Secretaries of Agriculture all urged this waterway; and yet the utility companies have been sufficiently strong to prevent its approval by the Congress. I think it is a national disgrace that we have let this great development, which means so much not only to the security of the Nation, but to our economic welfare, be delayed and obstructed by this little group of men who are simply concerned with their own profits.

If the Senator from North Dakota wishes to know what the real reason is for the obstruction placed in the way of the St. Lawrence seaway, it is this: In 1944 the power companies of New York and New England charged their customers \$319,000,000 more for power than it would have cost at TVA rates, and yet power from the St. Lawrence can be developed much cheaper than it is produced by the Tennessee Valley Authority. That is the real reason for the opposition. The railroads know that it would not hurt them. Others who are opposing it know that it would not hurt them. The real reason is this three or four hundred million dollars a year overcharge for power.

Mr. LANGER. Including the saving that we would experience from the lowering of shipping costs, how much does

the Senator estimate the development of the St. Lawrence waterway would save annually?

Mr. AIKEN. I do not know how much it would save a year. About 15 years ago Henry Harriman, president of the Boston Chamber of Commerce, and a year or two later president of the United States Chamber of Commerce, estimated that the increased amount of shipping between New England ports and the Northwest would be not less than 6,000,000 tons a year. I do not know what could be saved on that shipping. The saving would be millions of dollars.

Mr. LANGER. If we had had the St. Lawrence waterway for the past 5 or 6 years, does not the Senator think that we would have saved enough to make this loan to England, and have money left?

Mr. AIKEN. Of course we would, and we would save enough every year in the cost of electricity paid for by the people of New York and New England to pay the entire United States share of the cost of this development. War Department officials inform us that there is no telling how many lives would have been saved and how many days the war would have been shortened had this development been made before the Second World War. The saving would have been considerable, both in lives and time.

The Senator from North Dakota will recall that President Roosevelt, Secretary Stimson, Secretary Knox, and Secretary of Commerce Jones, William Knudsen, and others appealed to Congress in 1941 to get this development under way, because they knew that a war was coming, and they knew that the project would be needed in the war. Yet in spite of the urging of those men, who knew what they were talking about, the Congress would not enact the needed legislation.

Today we see the project being delayed again. The same forces which were against it in 1934 and 1941 are against it today, using the same tactics. Consider the coal strike which is now in progress. Thousands of tons of coal are going down the St. Lawrence River every day unused, that is to say, the power which is going to waste there represents the equivalent of thousands of tons of coal a day. How handy it would be to have 2,200,000 horsepower of electricity available for the people of New York and New England, and even points as far away as Chicago, at a time when we are having brownouts, and may possibly have blackouts, because of the lack of fuel to produce electricity from other sources.

Mr. LANGER. I ask the Senator whether he agrees with me. A few days ago the announcement was made that we were to have a recess sometime in July. Does the distinguished Senator believe that there ought to be any recess until after we act on the St. Lawrence waterway?

Mr. AIKEN. I certainly hope that the waterway will be acted upon before there is any recess. I will remain here as long as will any other Senator to see that such action is taken. We have a shortage of



electricity. There is talk of wars and more wars. It is little short of a national disgrace to allow this greatest potential resource in all North America to remain undeveloped because of a few obstructionists who put their profits above the needs of the country.

**FEDERAL PAYMENT OF SUPERVISORY COSTS OF VETERANS' ON-THE-JOB TRAINING**

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MORSE. Mr. President, I ask unanimous consent to introduce on behalf of my colleague, the senior Senator from Oregon [Mr. CORDON] and myself a bill and to make a brief statement with relation thereto.

The PRESIDING OFFICER (Mr. HOEY in the chair). Is there objection to the request of the Senator from Oregon?

There being no objection, the bill (S. 2144) to authorize the Veterans' Administration to reimburse State and local agencies for expenses incurred in rendering services in connection with the administration of certain training programs for veterans, introduced by Mr. MORSE (for himself and Mr. CORDON) was read twice by its title and referred to the Committee on Finance.

Mr. MORSE. Mr. President, I thank the Senator from North Dakota for the courtesy he has extended to me. I wish to point out that a very serious situation exists throughout the country in regard to the administration of the GI bill of rights and its application to certain veterans' problems. The Senate will recall that the bill provides for what is called on-the-job training. However, there is no provision in the bill which permits the Veterans' Administration, under General Bradley, to pay out of Veterans' Administration funds for the cost of supervision of on-the-job training. Thus, as the bill is now being administered, a local school district, such as School District No. 1 of Portland, Oreg., or a State department, such as, in my State, the State apprentice training department or the vocational training department, must pay out of State funds, if they are available, or out of school district funds, if they are available, for the costs of supervising on-the-job training. I am sure that such a situation never was contemplated by the Congress of the United States when the GI bill of rights was passed. I have taken up the matter with the Veterans' Administration, both with General Bradley and with the general counsel, Mr. Odom. They have been exceedingly gracious and courteous in regard to the matter; but the reply is an unanswerable one, it seems to me, as the law now stands on the statute books. They took the position that legally they have no power to use Veterans' Administration money to pay the supervisory costs.

Mr. President, I submit that not only was it not contemplated by the Congress that these costs should be borne by the States and subdivisions thereof, such as school boards and school districts, but it is a cost which ought to be met by

Federal dollars under the national Veterans' Administration program.

Let us consider School District No. 1 of the city of Portland, Oreg.: There has been a great increase in the population in that district, during the war, because of an influx of war workers, many of whom went into the armed services. The families of many of them have sons who went into the armed services. They have now returned to Portland. Many of those families prefer to stay there, rather than to return to the States whence they came, which decision, let me say, from the standpoint of local pride, I can well understand. I cannot imagine why some of them would wish to return to the places where they formerly lived even if they had to stay in my State on relief. That seems to be the decision of many of them; but it is rather hard on my State, and, I think, quite unfair. I think that the additional expense which has been placed upon State agencies under this veterans' program should be borne by the Federal Government.

So, Mr. President, as a result of my conversations with the Veterans' Administration, I received from them the answer that they cannot use a dollar to defray these costs unless the law is amended. Let me make perfectly clear that they did not recommend an amendment, nor did they recommend against an amendment, because it is a Federal agency, and as an official of that agency, General Bradley is very cautious and very careful—and rightly so—not to involve himself in any proposal for legislation. But he gave me a correct statement of the law, in my judgment, when he pointed out that, as the law now stands on the statute books, he cannot use Veterans' Administration money for this purpose.

Therefore, Mr. President, because I think it is a Federal obligation and because the persons who are suffering as a result of the failure of the GI bill of rights to contain specific provision for the payment of such expenses are the veterans themselves, I think the Congress, before it takes a recess in July—and I hope one will be taken in July—should proceed to pass the bill I have introduced this afternoon on behalf of myself and my colleague the senior Senator from Oregon, which proposes to amend the GI bill of rights. The emergency nature of the situation is very clear and will be made perfectly understandable to any Member of the Senate who will take the time to ascertain what actually is happening in his State in regard to on-the-job training, because I have made a sufficient investigation of the matter, Mr. President, to assure myself that this problem is not peculiar or singular to the State of Oregon. It is Nation-wide in scope.

All the bill which we are introducing seeks to do is to authorize the Veterans' Administration to use Veterans' Administration money, Federal money, as a sort of a grant-in-aid, to the State agencies which, under the present system, General Bradley asks to perform the supervisory service for the Federal Gov-

ernment. In a locality such as Portland, Oreg., where the school board simply does not have the money, what is the result? The result is that adequate supervision is not given, and the veterans suffer. Either they cannot get the jobs or they are taken advantage of, because in some instances it has been found that applications for on-the-job training have resulted in certain abuses. General Bradley himself, in my conversation with him, pointed out that some serious abuses are developing; that although the Veterans' Administration has jurisdiction over the veterans, it does not have any jurisdiction over the employers; that as fast as they discover that abuses exist, they have authority to take the veteran off the job, but great injury is already done; and, of course, it is simply common-sense, efficient administration to provide that the supervision and the placement shall be combined at one and the same time when the certificate is issued. In this way the veterans' rights will be protected and funds will be made available by the Federal Government, so that both jobs may be done at one and the same time, and in an efficient manner.

Hence, Mr. President, we propose the following amendment to the law:

That section 3 of Public Law No. 16, Seventy-eighth Congress, as amended, is amended by inserting at the end thereof a new sentence, as follows: "Any such appropriation shall also be available for use by the Administrator in reimbursing State and local agencies for reasonable expenses incurred by them in (1) rendering necessary services in ascertaining the qualifications of industrial establishments for furnishing on-the-job training to veterans under the provisions of part VIII of such Regulation, and in the supervision of industrial establishments furnishing such training, or (2) furnishing, at the request of the Administrator, any other services or facilities in connection with administration of programs for training on the job under such provisions."

Mr. President, I submit that this amendment will correct the very serious administrative problem which now exists in this country in administering on-the-job training services to the veterans of the United States. I submit further that this bill offers an additional opportunity for the Congress of the United States to put into real practice some of its fine speeches about wanting to do the fair thing for the veterans of World War II.

If the Congress wishes to do the fair and right thing for the veterans, insofar as on-the-job training is concerned, the bill which I have just introduced and which has been referred to the Committee on Finance will be considered without delay by the committee, reported back to the Senate within the space of a few days, and passed by the Senate and sent to the House of Representatives, because without its passage there will be a continuation of the very serious problem which now exists in connection with the on-the-job training program.

Mr. LANGER. Mr. President, will the Senator yield to me, to permit me to ask a question?

Mr. MORSE. I am glad to yield.

Mr. LANGER. The bill which the Senator has introduced which provides for an amendment of the GI bill of rights does not relate to farming in any way. Why is farming excluded?

Mr. MORSE. Let me say to the distinguished Senator from North Dakota that I shall be glad to join with him in advocating any piece of legislation which he thinks is necessary in order to do justice, on the merits, to the farming industry. But the bill I have introduced pertains to the on-the-job training program which is provided for by the existing GI bill of rights, and that is all it applies to.

Mr. LANGER. I understand from the wording of the bill that it applies chiefly to industry.

Mr. MORSE. That is what the on-the-job training provides.

Mr. LANGER. Very well. But consider the case of a farmer and his boy who is helping him. In my State the farmers farm with power machinery. When the boy is taken by the Selective Service System and the farmer asks them to let the boy stay on the farm until he and the boy can put in a crop, they say to him, "Go to an employment agency and get yourself a man." When the farmer who is told that goes to an employment agency and find a man, if he is lucky enough to find one there, the man he gets has never driven a tractor in all his life and he knows nothing about farm machinery, yet there is on the farm machinery which has cost the farmer four or five or six thousand dollars. He is supposed to turn it over to a man who knows nothing about, for example, Diesel engines. Under the Senator's amendment, I assume that that situation would not be covered.

Mr. MORSE. Allow me to make it very clear that all my amendment seeks to do is to provide Federal money for the supervisory work now encompassed in the present GI law as it involves on-the-job training. All I am trying to point out to the Senate is that, as the law is now written, not a single Federal dollar within the budget of the Veterans' Administration may be used to pay for supervisors in connection with on-the-job training. All I am seeking to do is to effectuate in an efficient manner the training which the law now on the statute books affords veterans. If the Senator from North Dakota wishes to propose that the entire coverage of the GI bill of rights be enlarged so as to provide a type of on-the-job training for workers on the farm, I assure him that I shall give very favorable consideration to such an amendment to the GI law. But it would not be germane, I submit, to the proposal which the Senator from Oregon has submitted today. All my proposal does is to empower General Bradley of the Veterans' Administration to use Veterans' Administration funds with which to defray the cost of on-the-job supervision. After my proposal has been adopted, if, at a subsequent date, the Senate proceeds to amend the GI bill of rights in the manner suggested by the Senator from North Dakota, my amendment would still be in form, and would cover any enlargement of the act

which the Senator from North Dakota might succeed in having passed.

Mr. LANGER. May I ask why such an amendment as I have suggested would not be germane? Industry is to be taken care of. Why would not an amendment to the law taking care of the farmer be just as germane and just as logical?

Mr. MORSE. When I seek merely to provide funds for the administration of the law as it is presently written, that is one thing. To come forward with a proposal not only to provide funds for the administration of the law as it is presently written, but at the same time to enlarge the scope of the act, would raise many issues which would not be raised during the consideration of a much narrower proposal.

Mr. LANGER. Does the Senator have in mind the schools of science?

Mr. MORSE. Oh, yes. So far as the schools of science are concerned, they are already covered by the educational provisions of the act. My amendment is limited to the so-called on-the-job training, where a veteran is placed, we will say, in a machine shop in order to learn the trade of a machinist, or is placed under the direction of a construction engineer in order to learn the trade of a carpenter or a builder, or is placed so as to learn any of the various skilled occupations connected with the construction industry.

Mr. LANGER. Are there any tractor schools in Oregon?

Mr. MORSE. Yes; and they would be covered under the GI provisions. The bill introduced by me is limited entirely to supervising on-the-job training programs.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. FERGUSON. With reference to on-the-job training, does the present law give to the Veterans' Administrator the right to determine whether or not on-the-job training has been sufficient, so that if the Senator's proposal is enacted the Veterans' Administrator will be in the position to ascertain the facts and have power to act?

Mr. MORSE. Mr. President, the Senator has raised a very vital question. That is why during my first presentation of this matter to the Veterans' Administration I felt that it was clear, at least by implication, in the present law that General Bradley has the power now to use Federal money in order pay for supervisory work. However, the law is so drawn that his power is limited to taking the man off the job. He does not have the power to pass, in the first instance, on the qualifications of the employer. That is left to the State officials. The Veterans' Administrator so interprets the law, and I believe rightly so, although I think it would not have been stretching the language of the law too much for him to have taken the position which I took originally in discussing the matter with the Veterans' Administration.

I am very frank to say, however, that I think the general counsel of the Veterans' Administration is making a sound literal interpretation of the law as it has been written. Hence, I cannot quarrel

with him. He takes the position that, after a State agency, or a school district, if the school district has the authority under the State law, has provided supervision of the employer, all the Veterans' Administration can do is to pass judgment upon the employer. The Veterans' Administration has the right through its inspectors and say—and this is the type of abuse which is growing up—“Here is a veteran who was sent into this garage to learn how to be a garage mechanic, but we note that for the past 3 months since he started to work for the garage his duties have been to learn how to run the freight elevator in the garage, and take cars from the repair shop to the place where they are made available to the customer after they have been repaired.”

Mr. FERGUSON. I have received similar complaints from my State. I have received complaints to the effect that the training is not essentially connected with the job which the veteran wishes to learn. Only this morning I received a complaint that a veteran was using a broom to do sweeping, although the Federal Government had been paying for on-the-job training.

Mr. MORSE. General Bradley has evidence of the following type of abuse: The employer and the potential employer are splitting fees. That is, the employer offers the veteran a so-called job, and he takes a part of the allowance which the veteran receives from the Veterans' Administration to pay for on-the-job training. That type of abuse is developing. As General Bradley pointed out to me, the Veterans' Administration is doing its best to check that type of abuse. My point is that the Federal funds should be available so that when the veteran is placed in the first instance, adequate supervision and adequate inspection will be exercised by competent supervisors and inspectors before the man is ever placed in the on-the-job training. As the law is now administered, such supervision is left to the States, and the States are saying, in effect, “We would like to do a good job, but we do not have sufficient money.” The result is that a very superficial and inadequate job is being done in placing veterans. I say that the point for correction is the one which I make in my amendment, namely, to authorize the Veterans' Administration to use Federal money as a grant-in-aid, so to speak, and authorize General Bradley to enter into a contract with school district No. 1 in Portland, Ore., for example, to do the necessary supervisory work for which it will be reimbursed out of funds of the Veterans' Administration. Mr. President, I think the problem is national in character, and that it should be handled by the Veterans' Administration.

While I am on my feet, I ask unanimous consent to introduce, out of order, two other bills, and ask that they be referred to appropriate committees.

Mr. HILL. Mr. President, I did not hear the request.

The ACTING PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent to introduce two other bills.



Mr. HILL. I do not wish to object to the Senator's request, but only a few minutes ago we had a quorum call. If we grant the Senator's request the Senate will have been placed in the position of doing business, and another quorum call will be in order. I wonder if the Senator will not withhold his request until a little later. If the Senator finds that in the meantime he must leave the Chamber, and will give me the bills which he desires to have introduced, I will introduce them for him.

Mr. MORSE. Mr. President, I think the Senator from Alabama has overlooked the fact that only a few minutes ago I asked for unanimous consent to introduce another bill, which consent was given me, and I have now made a unanimous-consent request to introduce two other bills.

The ACTING PRESIDENT pro tempore. The present occupant of the chair was not in the chair when the first request was made by the Senator from Oregon. The Parliamentarian advises the Chair that the request was not agreed to. It was not submitted to the Senate.

Mr. MORSE. Mr. President, I make a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. I do not think the matter is of great importance except in the interest of accuracy. I have a very good pair of ears. I know the request which I made. I am sure that I know what the Senator from North Carolina, who occupied the chair at the time, said after I made my request. I am sure that other Senators on the floor have hearing which is good as mine. In view of what I am absolutely certain was the ruling of the Chair, Mr. President, I must appeal from the decision of the Chair because, irrespective of what the Parliamentarian may tell the Acting President pro tempore, I do not know what the Parliamentarian might have been doing at the time the Senator from North Carolina ruled. However, I know for an absolute certainty, Mr. President, that the Senator from North Carolina, who occupied the chair at the time, said that consent had been granted. Therefore I must appeal from the decision of the Chair.

Mr. HILL. Mr. President, if the Senator will withhold the appeal for a moment—

Mr. MORSE. For a moment.

Mr. HILL. The rules of the Senate are such that it is very difficult to expedite if a Senator does not want expedition, because of course a Senator has the right to appeal from a decision of the Chair. Then the Senate will have to act on that decision, and of course when it acts on it, the Senate will be doing business.

Mr. President, I do not believe that at this hour anyone is going to suggest the absence of a quorum. So I join the Senator from Oregon in requesting that both the bills he has introduced may be accepted at this time.

Mr. MORSE. I appreciate the courtesy very much.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon, joined in

by the Senator from Alabama? The Chair hears none. The request is granted.

The bills were read twice by their titles, and referred, as indicated:

S. 2145. A bill to amend sections 112 and 113 of the Internal Revenue Code; to the Committee on Finance.

S. 2146. A bill to provide for reasonable attorney's fees in the case of any suit by or against the United States; to the Committee on the Judiciary.

Mr. LANGER. I yield the floor.

#### THE COAL STRIKE

Mr. LUCAS. Mr. President, the Senate has occupied about 3 weeks in debate on the British loan. It has also discussed the OPA and reference has been made to the extension of the draft law, but in the opinion of the Senator from Illinois the paramount question before the American people is the settlement of the coal strike.

The State of Illinois is in some confusion at this moment as a result of the strike, and as time goes on, unless a settlement shall be reached, there will be a worse state of confusion in that State, as well as in every other State in the Union. So tomorrow, at noon, if I can get the floor, I shall make some remarks about the situation as I see it at the present time.

#### VETERANS' HOUSING

Mr. MEAD. Mr. President, recently I introduced two bills pertaining to veterans' housing facilities. The bills were referred to the Committee on Education and Labor.

One of those bills makes provision for the use of excess buildings, other than barracks, surplus from Army and Navy facilities, for our colleges and universities. The second bill authorizes financial assistance for colleges and universities on the part of the Federal Works Agency.

Mr. President, I believe that it will be necessary to pass both those bills in the very near future if we are to meet the rising veterans' educational program. Within a year or two, I am reliably informed, a million of our veterans will be seeking the educational opportunities afforded by the GI bill of rights, and the American colleges under existing conditions will be unable to accommodate them. So, Mr. President, I suggest to my colleagues that they take cognizance of the rising importance of the veterans' training program, and the emergency which will confront us in the very near future.

In that connection, I have here an editorial from the Washington Post entitled "Veterans in Colleges." This appeared in the Post on May 2, and I should like to have it inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### VETERANS IN COLLEGE

To meet the increased demands on higher education facilities caused by returning veterans, the New York State Legislature has passed two bills giving material assistance to

colleges. One makes available portions of a \$35,000,000 emergency housing appropriation to provide additional classrooms and laboratories as well as living quarters for veterans. The other empowers the State department of education to make up operating deficits incurred by colleges and universities in the education of veterans. This liberal action resulted from a conference of educators called by Governor Dewey to consider the problem of accommodating veterans. It is a constructive local application of what Reconversion Director Snyder's Interagency Committee on Veterans' Affairs has been set up to do nationally.

Estimates place college enrollment next fall at 25 percent above the prewar high. The log-jam of applications has given rise to the complaint that some colleges have adopted a questionable policy of "making it tough" on veterans in order to rid themselves of the excess and make way for new high-school graduates. This may be true in some cases; and, of course, it is indefensible. All students should have an equal chance. At the same time, there probably are a good many veterans attracted by educational provisions of the GI bill of rights who are not qualified and do not belong in college. And it is true that if colleges gave over all their facilities to veterans, there would be none for persons graduating from high school, or even for servicemen discharged late. The essential problem for educational institutions has been to strike a balance so that the interests of all their clientele may be served with the limited expansion facilities at hand.

The failure of Congress to supplement the GI bill with concrete provisions to accommodate veterans has placed the burden on individual schools. Hampered by personnel shortages as well as inadequate facilities, many will be unable to meet the demands unless there is outside aid; and it is obvious that the expansion problem must be tackled immediately to mitigate the disadvantages of education under pressure. New York has pointed the solution for at least part of the difficulty. Fortunately, some other States are in an advantageous position to help their colleges and universities because of wartime tax surpluses. Only through such help can veterans be assured of a fair chance to benefit from the education Congress has provided them.

Mr. MEAD. Mr. President, I have also an article from the New York Times dated May 2. It is a summary of a recommendation by the American Legion in New York City on the housing problem, including a recommendation for the financing of renovation of old buildings in New York City and the construction of low-cost one- and two-family dwellings by low-interest bonds and funds set aside by both State and Federal Governments for construction of temporary housing. The article is headed "City Legion calls for 50,000 homes; veterans in 350 posts give plan for renovation and new construction this year." The article calls attention to the great emergency in housing which confronts the Nation.

I also have an editorial from the New York Herald Tribune of May 2, which is rather conservative and moderate, and which takes some of the sting out of the criticism from certain sources on the recent procedures established in the veterans' housing program.

Because of the importance of the subject, not because I am in agreement with everything that is said in this editorial,

I should like to have them printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 2, 1946]  
CITY LEGION CALLS FOR 50,000 HOMES—VETERANS IN 350 POSTS GIVE PLAN FOR RENOVATION AND NEW CONSTRUCTION THIS YEAR—USE OF ROOFS SUGGESTED—ERECTION OF QUONSET HUTS ATOP BUILDINGS IS HELD WAY TO PROVIDE MORE LAND

A committee of the American Legion representing 350 posts in New York City adopted yesterday a program to provide 50,000 homes here and 1,200,000 dwellings throughout the country. One recommendation was for immediate erection of Quonset huts on the roofs of flat-topped buildings so that vacant land might be left free for permanent construction.

The Legion is sponsoring "Operation Housing," a rally to be held in the Sixty-ninth Regiment Armory on May 18 to dramatize its program. The major new proposal calls for creation of 50,000 dwelling units by the New York City Housing Authority before January 1.

According to the committee, this can be achieved in the following ways:

1. Ten thousand such units to be created by renovation and remodeling of existing unused facilities such as boarded-up buildings, as in the city's current rehabilitation program.

2. Forty thousand other units to be provided by construction of low-cost one- and two-family dwellings.

3. Both the above to be financed by low-interest bonds and funds set aside by both State and Federal Governments for construction of temporary housing.

[From the New York Herald Tribune of May 2, 1946]

#### TEMPERING THE HOUSING RULES

Since order No. 1 under the veterans' emergency housing program was issued on March 26, official interpretations have in general tended toward relaxation of its more drastic strictures. The building-trade employers in this city note in their News and Opinion that "the cooling-off period has disclosed that the rules may not be as drastic as they were at first purported to be." Assurances have come from administrators of the new controls that industrial building projects are likely to be approved if they will not affect housing adversely and if they will benefit their communities. Ralph A. Parker, regional director of the Civilian Production Administration, has said that availability of materials will be the chief factor in determining whether commercial projects will be approved. Local offices of the CPA, advised by citizens' committees, are now processing requests for permits according to rules laid down in Washington. Permits may be granted if a project is deemed essential and nondeferrable, or if it will not jeopardize housing, or even if hardship is proved. Factory construction for the production of essential food or scarce materials would ordinarily be deemed essential. Consideration is given to the needs of new communities for, say, a drug store, movie, or church if those facilities are lacking.

Even though commercial buildings are approved, they must compete against dwelling priorities for building materials—and most building materials are scarce. An analysis made by the Architectural Forum lists lumber, soft plywood, brick, gypsum board and lath, bathtubs, cast-iron soil pipe, and radiators as critically short; clay tile, concrete blocks, sheet and strip steel for heating sys-

tems, clay pipe, and asphalt roofing as seriously short. Possibly short is structural steel—with the coal strike adding to the possibility.

There are other headaches for would-be builders resulting, as was perhaps to be expected, from confusion about the rules. But as experience is gained by the citizens' committees, and as the administrators weigh community needs with the essential housing program, a tempering process promises reasonable interpretation of the curbs on non-essential building. Relief from its undeniable strictures will be a boon. The faster the housing program is speeded the sooner can that relief come.

#### ONE HUNDRED AND FIFTY-FIFTH ANNIVERSARY OF THE POLISH CONSTITUTION

Mr. MEAD. Mr. President, today is the one hundred and fifty-fifth anniversary of the Polish Constitution. It seems to me appropriate that the people of the United States and the Members of this body take this occasion to consider the present situation confronting the Polish people in their age-long effort to attain stability and independence as a nation in the community of nations.

Poland's history as the battleground of Europe, torn between powerful conflicting forces surrounding her, the partitions and the frequent changes in sovereignty over the areas inhabited by Polish peoples, is well known. Poland's contributions to art and science are also well known. Poland's aid, through great leaders in the cause of our own independence, has frequently been recognized by the American people. The suffering of the Polish people through the vicissitudes of power politics in Europe through the centuries and the persistent courage of her people and her leaders in fighting unflinchingly against overpowering forces seeking to thwart Polish independence have aroused the admiration of mankind.

Not the least in Poland's long history of oppression and tribulations is the history of the Polish people in World War II. The world will long remember the courage of the Polish people in 1939, when they refused to submit to the unrighteous demands of the powerful Nazi war machine. The world will not forget the million military casualties and 9,000,000 civilian casualties and the devastation of Polish cities and farms as armies surged back and forth across Polish territory in World War II.

Mr. President, the nations of the world owe an obligation to Poland and other smaller nations like her to make certain that this continual conflict and unrest resulting from the conflicting ambitions of power politics shall cease. A tremendous responsibility rests upon the United Nations Organization to guarantee and assure the opportunity to peoples like the Polish people to live their lives and enrich their existence without molestation and oppression from any source. The nations of the world owe a duty to the Polish people and others similarly situated under the chaotic conditions existing in the aftermath of the war to guarantee that the people themselves shall have a right to select the kind of government they desire in a free election in which there cannot be any doubt that the results are the expression of the free

will of the citizens without coercion or improper influence exerted by outside forces. Mr. President, this is a tremendous responsibility, and the United Nations must not fail, the United States must not fail, and we must not fail.

Mr. President, the nations of the world have a further obligation to Poland now to relieve the distress, suffering, and hunger which were the inevitable consequences of the war. In contemplating this responsibility, Mr. President, I shudder to consider what would have been the plight of Poland and other unfortunate peoples in devastated areas if we had failed to establish the United Nations Relief and Rehabilitation Administration.

I think, therefore, that it is appropriate on this occasion to make public certain information which I have obtained from the United Nations Relief and Rehabilitation Administration concerning its aid to Poland. The total shipments to Poland, cumulative through March 1946, have been as follows:

	Tons
Food .....	364,278
Clothing, textiles, and footwear.....	81,426
Agricultural rehabilitation.....	134,566
Industrial rehabilitation.....	147,033
Medical and sanitation.....	10,720
Total.....	738,023

#### FOOD SHIPMENTS

First. Bread grains: The following shipments of bread grains, on a clearance basis, were made in 1946:

	Tons
January .....	16,000
February.....	21,000
March .....	31,500
April .....	54,000

April grain shipments include two vessels diverted from British to Polish destinations. Receipt of these bread grains during late April and May will, when added to the anticipated 15,000 tons of stock in Poland as of May 1, bring the total up to 69,000 tons available for May—which is about 16,000 tons short of the 85,000 tons required for the minimum subsistence of 13,000,000 nonagricultural population at 220 grams per head per day.

Second. Meat, fish, and dairy products: Through March 1946 over 23,000 tons of meat and meat products, 34,000 tons of fish, 45,000 tons of eggs and dairy products, and 22,000 tons of vegetables, fruits, nuts, and preparations were shipped to Poland.

Hatching eggs were also shipped to Poland, and about \$1,000,000 worth of fish is now going forward from Denmark.

Third. Agricultural rehabilitation: Through March 1946 over 1,000 tons of seeds and plants, 84,000 tons of fertilizers and almost 16,000 tons of agricultural machinery shipped. This includes close to 6,000 tractors.

Close to 8,000 head of livestock—horses, bulls, heifers, have been sent to Poland, including 2,000 horses contributed to UNRRA by Denmark. These horses were shipped directly to Poland from Denmark and helped materially in Poland's spring plowings.

Fourth. Industrial rehabilitation: Over 33,000 tons of motor vehicles, 7,900 tons



of communication and transportation equipment, and over 50,000 tons of fuel, lubricants, petroleum, and coal shipped to Poland.

Through March, Poland had received over 13,000 trucks and 3,200 trailers; 28 locomotives and 600 railroad cars; and 3 trainloads of engineering and industrial equipment—including a number of mobile railroad repair shops and other types of repair shops.

Poland also received the "United States Army Willow Run of England"—the huge Army repair base in England capable of doing 3,000 major truck repair jobs per month—cost a million dollars; left England for Poland on March 28.

Twenty-nine thousand four hundred tons of raw cotton and 16,000 tons of raw wool (greasy basis) were also shipped to Poland.

Fifth. Medical supplies: Through March UNRRA provided some \$13,000,000 worth of medical supplies, including 21 hospital units of 1,000, 750, and 500 beds.

Mr. President, substantial as this assistance has been, we all know that it falls far short of meeting the needs of bare existence in Poland. We must redouble our efforts. We must increase our contribution. We all are aware of the acute food shortage in Europe. We all must pledge individually our enthusiastic support of conservation programs in this country which will permit an increase in food shipments to the areas suffering from the effects of the war, which we in these United States, sheltered from combat devastation, can hardly fully appreciate.

In conclusion, Mr. President, on this important Polish anniversary, I urge that the Senate and the people of the United States recognize the challenge that confronts us in the immediate alleviation of suffering in Poland and in the assurance of an opportunity for independence and self-expression of the Polish people. The manner in which we accept this challenge and meet this issue as one of the leaders in the community of nations will determine in large measure the success of our efforts to establish a stable and peaceful world.

Mr. WILEY. Mr. President, as the distinguished Senator from New York has said, today is the one hundred and fiftieth anniversary of the Polish Constitution, and in the next few days General Bor, a distinguished world citizen, who led the Poles in the 60-day revolt in Warsaw, and who afterwards escaped to London, will arrive in this country. As we know, he was the commander in chief of some 120,000 Poles, and he led them as their general on the western front. They were primarily in the English set-up, and they are going to be demobilized.

Mr. President, this great man, without a country, and these 120,000 men who are also without a country, who fought with our sons, are entitled to the consideration of America. In my own State for three generations the Poles have helped build the commonwealth. They have made good citizens. They have added to the wealth of the State.

I agree fully with what the distinguished Senator from New York has said,

that the United Nations Organization owes an obligation to seek to carry out in Poland itself the principles about which we so glibly talk.

At this moment there is a question where 120,000 men are going to find homes. That is the matter to which I think Congress or some committee of Congress should give consideration. I understand that General Bor will be in Washington and will consult with the appropriate officials of our Government in relation to this subject.

It has been suggested, Mr. President, and it is something which we must think about, that America create a foreign legion. There are no better fighters in the world than these men. They are in Europe. They have no place to go. When Congress speaks on the subject of creating a foreign legion, we will have the answer. If such a force should be authorized, it would mean that 120,000 more of our boys could stay home and go to school and catch up their education along the line in which so many of them lost out during the war, especially along scientific lines. I drop that suggestion for the RECORD and for the consideration of my brethren of the Senate.

#### THE COAL STRIKE AND THE FOOD SITUATION

Mr. President, I have just one other thought I wish to present. The distinguished Senator from Illinois [Mr. LUCAS] said that the great problem in America—he thought the most important one—was that of procuring coal. Yesterday I emphasized that fact in my remarks and placed in the RECORD telegrams from people in my State describing the conditions there. I said that what the Congress and the President needed was guts to do something in this important matter. There is no redress, apparently, for the public against strikes that interfere with public health and safety; nor will there be until Congress enacts laws to regulate the rights of so-called minority groups to inflict loss and privation on majority groups. There are times when the responsibility is as much that of the employers as it is that of the employees. The much abused and criticised Connally-Smith Act is still on the books. Why does not the President act? Who runs this country? Whose job is it in a great emergency such as this? And that is not all. The strike epidemic is again sweeping the Nation. The workers in the greatest industry in Wisconsin went on strike the other day. Thousands of men are out. And we of America are going to feed the world. The milk factories in my State, the condenseries which require coal in order to process the milk, must close down, and unless something is done milk will run in the gutters of the streets. Yet we sit here fiddling. It is time that something be done. Why is it not done?

Mr. President, why has not the Committee on Education and Labor reported the bill which has the stuff in it? The American people want something done respecting this issue. The rights of the ordinary man are entitled to receive the consideration of Congress.

So I agree fully with the distinguished Senator from Illinois that particularly in

the case of the coal issue immediate action must be taken. Is it fear that prevents action? Is this great people which pushed back the Hitler horde, the Mussolini cut-throats, and the ruthless fighters of the Orient afraid of labor leaders in this country? Is the public to be continually jeopardized because groups are organized? Is our production to be interfered with? Are we going to fall down on the job of feeding Europe? Senators heard the statement made by the distinguished Senator from North Dakota showing how the Government muddled the job, and that millions of bushels of potatoes rotted in North Dakota. That has all occurred because something is missing in our ability to handle the situation, and the something that is missing is iron; we do not have the iron in us to proceed as our boys proceeded in the recent conflict.

Mr. President, I think the situation is very well outlined in an editorial written by David Lawrence, published the other evening in the Washington Star. I ask unanimous consent to have it printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COAL STRIKE NEARING CLIMAX, SAYS WRITER—  
GOVERNMENT SEIZURE OF MINES STILL A POSSIBILITY, HE HOLDS

(By David Lawrence)

The coal strike is nearing a climax. For a month the two sides have been drifting along. Each has been placing the responsibility on the other and a United States Conciliation Service representative says neither side has budged in a month of negotiations.

But the truth is both sides know that, as the available coal supply dwindles, pressure to settle the strike will intensify. In the end, Government seizure is a possibility inasmuch as the Smith-Connally law is still on the statute books. Under that law, the President can operate the mines indefinitely till the two sides are ready to make an agreement.

There have been some indications that John L. Lewis, head of the miners' union, with customary planning and characteristic strategy, has figured out that the country can stand a few weeks of a coal strike without forcing a seizure. He probably has had in his mind the exact basis on which he would settle and hence the lapse of time merely inflicts loss on the public and on the operators—both of which are no concern apparently to the miners' union which, it is said, wanted a holiday anyway after energetic, if not excessive, time spent in mining coal for war purposes.

#### USUAL WINDUP

Usually the coal strikes wind up with a wage increase for the miners and a price increase for the public. With the OPA in the picture, this is not so easy, but in due time the OPA will crumble, too, in its determination to keep prices of coal down and eventually the public will pay the bill again.

It is probably in the interest of the coal miners to promote scarcity at this time, because there will be overtime pay and other incentives offered later to make up lost production. It probably doesn't disturb the miners either to point out that other forms of fuel could benefit by the rising cost of coal for the simple reason that the costs in the oil business are rising, too, and new drillings are delayed by shortages of machinery.

Mr. Lewis has sent for his 200-member policy committee. This is a significant development. Ostensibly the purpose is to review the negotiations. The purpose really is to arrange the strategy of the next few days and to make sure that all the local unions understand what is planned.

It would be assumed normally that the policy committee was coming here to negotiate a settlement. Actually, Mr. Lewis does all the negotiating. He is the single chief-tain of the whole organization, but he is skillful enough to avoid giving the impression that he is a dictator or boss of the union. He always manages to get in a consultation with his big policy committee when negotiations reach a climax.

#### NO REDRESS FOR PUBLIC

Strikes are proving costly to the reconversion era and Congress is not in the mood evidently to deal with the strike problem. The Democratic Party in Congress is responsible for squelching legislation dealing with arbitrary activities by unions under the collective-bargaining process. The miners' union can refuse to bargain collectively or to negotiate, but if an employer did so, he would be subject to action under the Wagner labor-relations law.

There is no redress for the public against strikes that interfere with public health and safety unless Congress enacts laws to regulate the so-called right of minority groups to inflict economic loss and privation on majority groups, and there are times when the responsibility is as much the employer's as the employees'.

To discover the facts in particular disputes and to set in motion a better machinery than is in existence today to settle industrial disputes, President Truman offered a legislative program of the mildest character, but he does not seem to be pressing for it. His own leaders are helping to kill legislation in Congress. Maybe what the country will discover next autumn is that its protest can be effective only when it turns out of office those Members of Congress, Republican and Democratic, who have shown themselves indifferent to the public interest by pigeonholing bills to curtail strikes.

#### EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nomination on the calendar.

#### FOREIGN SERVICE

The legislative clerk read the nomination of Walter Thurston to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. HILL. I ask that the President be notified forthwith of the nomination just confirmed.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

#### RECESS

Mr. HILL. As in legislative session, I move that the Senate take recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Saturday, May 4, 1946, at 12 o'clock meridian.

#### CONFIRMATION

Executive nomination confirmed by the Senate May 3 (legislative day of March 5), 1946:

#### FOREIGN SERVICE

Walter Thurston to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

## HOUSE OF REPRESENTATIVES

FRIDAY, MAY 3, 1946

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, whose bountiful providence supplies all our needs, grant that in these days of struggle and challenge we may be assured of Thy guiding and sustaining presence.

We humbly confess that we frequently feel that the good hopes and high ideals which we cherish are merely illusions, and far beyond our reach and realization.

We pray that when our minds are baffled and our hearts are burdened, we may seek that divine wisdom which never errs, and that strength which never fails.

Grant that as God-fearing patriots we may be loyal partners and comrades with all who are building that glorious highway where men and nations shall walk together in unity and peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendments to the bill (H. R. 341) entitled "An act relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. WHEELER, Mr. THOMAS of Oklahoma, Mr. SHIPSTEAD, and Mr. MOORE to be the conferees on the part of the Senate.

#### EXTENSION OF REMARKS

Mr. TRAYNOR asked and was given permission to extend his remarks in the Record and include a letter from the American Legion of Washington, D. C.

Mr. SULLIVAN asked and was given permission to extend his remarks in the Record and include an editorial from the St. Louis Post-Dispatch.

Mr. LYNCH asked and was given permission to extend his remarks in the Record and include an address by Hon. Edward J. Flynn.

Mr. QUINN of New York (at the request of Mr. LYNCH) was granted permission to extend his remarks in the Record and include an address by Mr. Robert E. Hannegan.

Mr. RABIN asked and was given permission to extend his remarks in the Record and include an address by Hon. ROBERT F. WAGNER.

Mr. BUCKLEY (at the request of Mr. RABIN) was granted permission to extend his remarks in the Record and include an address by Hon. JAMES M. MEAD.

Mr. BIEMILLER asked and was given permission to extend his remarks in the Record.

Mr. SAVAGE asked and was given permission to extend his remarks in the Record and include an article from Labor, the official organ of the brotherhoods.

Mr. GOODWIN asked and was given permission to extend his remarks in the Record and include a letter from the commissioner of agriculture of Massachusetts, together with statements from commissioners and secretaries of agriculture of the Northeastern States, on the feed situation.

Mr. DWORSHAK asked and was given permission to extend his remarks in the Record and include an editorial from the Idaho Statesman.

#### THE LATE ROY MILLER

Mr. LYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

Mr. LYLE. Mr. Speaker, you and I, the membership of the Texas delegation, and, in fact, a large portion of the entire membership of the House of Representatives, have lost a highly valued friend. The State of Texas has lost one of its outstanding men.

Funeral services are being conducted this morning in Corpus Christi, Tex., my home city, for Roy Miller, who more than 30 years ago served as its "boy" mayor.

Through all of those 30 years he has continued to serve, not only his city but his State, and his efforts have been of incomparable benefit to the people of Texas.

His interests were many and his friends legion. For more than a quarter of a century he worked toward the establishment and development of the great intracoastal waterway, now nearing completion, and was president of the Intracoastal Canal Association of Louisiana and Texas at the time of his death.

He played a leading part in the movement that resulted in establishment of the port of Corpus Christi.

For 18 years he served as Texas president of the Navy League, at all times working untiringly for the maintenance of a strong and adequate Navy.

In addition to his position with the Intracoastal Canal Association, he was vice president of the Trinity River Improvement Association, a director of the National Rivers and Harbors Congress, a director of the Mississippi Valley Asso-